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ABSTRACT

This report to Mayor Edward Koch examines the problems facing New York, New York, and suggests long-range solutions. Information was gathered from experts from within and outside city government, invitational hearings, and commissioned studies in areas of special concern. The Commission found that the city's economy had recovered from the fiscal crisis of the 1970s. However, individual chapters report on serious problems in the following areas: (1) economic and physical development; (2) poverty and dependency; (3) education; (4) health; (5) crime; (6) housing; and (7) transportation. Conclusions include the following: (1) poverty is the city's most serious problem; (2) education must receive the highest priority as the long-term solution to poverty; (3) human services must be reorganized to combat poverty and prevent long-term dependency; (4) the physical city must be rebuilt in a manner that is beautiful as well as efficient; (5) the provision of affordable low- and moderate-income housing must receive the highest priority in rebuilding the city; (6) reorganization and accountability are required in most service areas; (7) all New Yorkers must accept responsibility for making New York a better place; (8) strategic planning is required to provide a long-term overview; and (9) all planning must take into account the diverse racial, ethnic, and religious make-up of the city. Statistical data are included on 14 graphs and tables. A list of the members of the Commission is also included. (FMW)

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THE REPORT OF THE COMMISSION ON THE YEAR 2000

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NEW YORK ASCENDANT

THE COMMISSION ON THE YEAR 2000

June 1987

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LETTER FROM THE CHAIRMAN

Dear Mr. Mayor:

I am delighted to submit the report of the Commission on the Year 2000.

For better than two years we have met among ourselves, talked to experts from within and outside the city, invited civic leaders to share their thoughts with us and commissioned studies in areas of special concern.

From the beginning we recognized the uncertainties in forecasting the future. Nonetheless, we believe it important to have a sense of where New York is likely to be as it enters a new century. We considered several different scenarios—from the most optimistic to the most pessimistic—and have come forward with what we consider the most reasonable projections.

Essentially ours is a hopeful look at the city's future. We see a city ascendant—with a basically healthy economy and only limited pressure in terms of population growth. We see many significant positive trends. We also see major problems. Many have to do with the physical nature of the city—its capital plant, its housing stock, the condition of the waterfront, the impact of current development policies.

We also found ourselves coming back, again and again, to social problems, particularly to the extent and nature of poverty and to the question of how New Yorkers do and should relate to each other. In many ways it is this preoccupation with the human side of the city that distinguishes our report from past reports on New York's future.

In our view New York in the next century can be not only ascendant but also triumphant, if it takes on the challenges posed by the issues we address, particularly the challenge of dependency. Making New York triumphant will require a significantly different focus from that of the last decade, a decade that saw New York overcome the greatest fiscal crisis of its history. It will require, though, the same kind of will, the same level of common purpose.

Interestingly, as we thought about New York in the next century, we kept coming back to the city's past, to those characteristics that have defined New York, given it its special nature, pace, and spirit, that have made it,

at its best, to use E. B. White's phrase, "the loftiest of cities". In all, we identified four themes which we believe have made New York what it has been at its best—New York as a world city, as a city of neighborhoods, as a civil city, and as a city of opportunity. We have attempted to set forth the steps that would be necessary to have these same themes define New York in the next century for all New Yorkers of whatever race, ethnic group, class or borough.

Our recommendations are interrelated. Some will require more spending. Others involve different ways of thinking about services. Many call for different ways of organizing service delivery.

The fiscal crisis taught New York many lessons: about the limits of what local government can do, about the need to be competitive, about never spending more dollars than we have. All of these are lessons to keep in mind. At the same time the discipline needed to overcome the fiscal crisis diminished our sense of daring, made us too accepting of inadequate services, narrowed our vision of what New York could and should be. Hopefully this report strikes a balance between what needs to be remembered and what needs to be done to secure the kind of future this city deserves.

For myself—and I believe for all of the other members of the Commission—this has been a special opportunity to move beyond immediate concerns and to attempt to see the city as a whole; to relate its past to its future; to see the interrelationships between its neighborhoods, its economy, its cultural life, its buildings, and its people; to sort out what seems genuinely important from what is simply newsworthy or politically compelling. We have tried our best to do all of that. Hopefully we have succeeded. Certainly, in the process, we have developed even greater respect for what this city has been in terms of its complexity, its resilience, its richness, and for what it can be. Great as New York has been, we believe its promise is even greater.

Sincerely,

Robert F. Wagner, Jr.
Chairman

I. FACING OUR PROBLEMS

Ours is a time of New York ascendant. The city's economy is stronger than it has been in decades, and is driven both by its own resilience and by the national economy; New York is more than ever the international capital of finance, and the gateway to the American economy; it is the country's center of creativity in just about every field—music, theater, publishing, advertising, communications, painting, dance; neighborhoods that were slums ten years ago are now crowded with small, newly born, dynamic enterprises.

Yet despite the exuberance of a re-energized city, many severe and troubling problems remain. Though strong, the economy has not fully recaptured past strengths. While the city has gained 300,000 jobs over the last eight years, it still has 300,000 fewer jobs than it had in 1969, and faces serious competition from other parts of the nation and the world. Poverty is very much a presence, holding almost a quarter of New York residents and 40 percent of New York children in its thrall. The nature of today's poverty is different and probably more enduring than that of the past, and characterized by what could become a permanent underclass.

While the city funds a large and extensive municipal hospital system and is host to some of the world's most prestigious private hospitals, tuberculosis, sexually transmitted diseases, and other ailments, once thought eradicated or controlled, are again rising after years of decline. The city's infant mortality rate is over 26 percent higher than the national average. Despite minor dips in crime during the early 1980s, the city still has over one-third more crimes reported than in 1969, and the threat of violence and harassment is a daily fear of many New Yorkers. While many areas

now thrive, whole tracts of land remain vacant and derelict in once fine neighborhoods. Many of the streets in midtown and lower Manhattan, homes to two crucial business districts, are trapped in gridlock for most of the business day. Despite the 12,000 new housing units being constructed and the 18,700 units rehabilitated annually, replacement is not keeping pace with demand and housing continues to be a major problem for many, perhaps most, New Yorkers.

What is clear is that ours is a vibrant city that has overcome enormous problems while still having immense problems to face. The city's near bankruptcy in the mid-1970s showed the world that New Yorkers from all sectors could concentrate extraordinary energy and will to solve a crisis that threatened the very fabric of the city.

While the fiscal crisis lies behind us, we remember well its lessons: New York is a local not a national government; while it can do much for its citizens, it cannot be a vehicle for a major redistribution of income. While it must provide excellent basic services (far better than what we have today), it must do so by managing its human and financial resources more effectively.

Now that the city has implemented many of the reforms prompted by the fiscal crisis, the issues that remain are in many ways more subtle and difficult than those of the 1970s. The tasks ahead will not be easy.

When Mayor Edward I. Koch created the New York City Commission on the Year 2000, he noted that New York was again able to move from a preoccupation with questions of

survival to questions of revival. The Commission, said Mayor Koch, will help "determine where New York might be and help point the way to where we want it to be in the 21st century." Our Commission has given a great deal of thought to public functions because we are submitting our report to the Mayor, and these are his responsibility.

Our plan focuses on the human side of New York, on its people, their communities and their problems. Our report looks beyond Manhattan to the boroughs and to the metropolitan region that is outside our borders but interwoven with our lives.

We are also submitting our report to the citizens of New York, and we have tried to give equal thought to their contribution. New Yorkers make New York. This city *is* its people. If our city is to work well in 2000, we as New Yorkers, as well as our institutions, must build on our strengths and correct some weaknesses. Both the strengths and the weaknesses in the workings of our city arise from our own behavior. As Thucydides noted in ancient times, it is citizens that make the city, not walls or ships. The diversity of race, ethnicity, and religion in the city's population has been one of its great strengths, contributing an equal and flourishing diversity in the arts, commerce, culture, education, and experience. Similarly, the city's diverse universities, hospitals, corporations, foundations, churches, settlement houses, and community boards are institutions that can advance New York's social and economic stature, and we call on them repeatedly in this report to do so.

Throughout our two years of research, of meetings with experts both from within and outside city government, and of invitational hearings, we have tried to maintain a vision of the city as a whole. Planning for the needs of a city as huge and complex as ours is clearly difficult. Historically, New York City was built in creative surges rather than in consistent, steady stages. Most of its great private and pub-

lic development occurred in a small number of identifiable periods when certain important forces coincided—usually a strong economy combined with boundless creativity in every field. The next few decades can be another such age. To achieve this, we need to know where we are going, how we are going to get there, and where we have been.

Great plans have been made for New York before—the first Regional Plan of 1929, for example, and the City Planning Commission's grandiose plan of 1969. Both concentrated on physical planning, certainly an important element. Our plan, however, focuses on the human side of New York, on its people, their communities and their problems. Our report looks beyond Manhattan to the boroughs and to the metropolitan region that is outside our borders but interwoven with our lives.

Despite its glamour, New York has always been at its base a middle-class city of middle-class neighborhoods and mores. The challenge for the future is to build on the middle-class strength of New York not by redistributing income away from middle-income households, but by bringing far more people up from poverty into the middle class.

Changes are needed in a host of areas—housing, transportation, education, health care—but reform is particularly needed in the area of poverty. Without a response to the problem of poverty, the New York of the 21st century will be not just a city divided, not just a city excluding those at the bottom from the fullness of opportunity, but a city in which peace and social harmony may not be possible. There is no more important issue for city government, no

more important test for New York. While welfare programs (and income redistribution) are primarily a federal responsibility, the city can show the way by restructuring its social service and training programs to help people make the transition from dependency on welfare to working, productive lives. Dealing with poverty must be the primary focus of the city's energies to ensure the kind of future New Yorkers deserve.

New York's future should be shaped by the best of its past.

Because poverty hits blacks and Hispanics disproportionately, the problem of race relations is inextricably linked with that of poverty. Combatting poverty will require addressing the problems of race relations as well. If New York is to develop to its full potential, it must be able to build on the talents and energies of all of its people, tolerating no discrimination by race, sex, or creed.

In our view, the city can become a far better place if we have the vision to see the future clearly, and the political will to move boldly. We emphasize in our report those areas that local government can actually do something about—education, criminal justice, health, transportation. We recognize that many economic forces are simply beyond the city's control, and many political solutions beyond its jurisdiction. Nonetheless we believe that in areas such as economic growth and poverty, New York, both as a city and as a government, can make a difference.

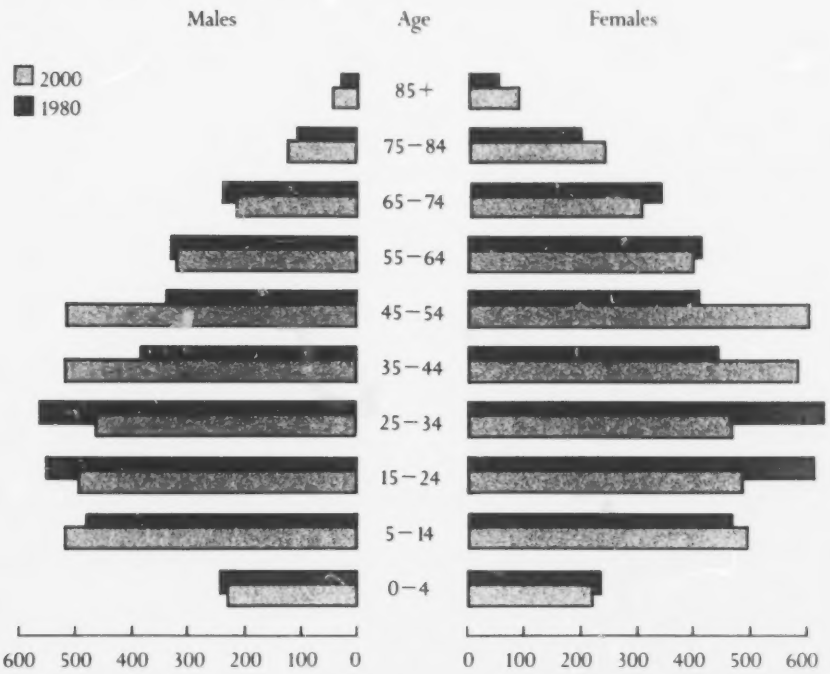
What lies behind us are both the fiscal crisis and the city's capable handling of that crisis. What lies ahead is economic growth which, properly handled, can benefit all New Yorkers. By 2000, the city's economy will have produced another

300,000 jobs, bringing the total to 3.8 million, a return to the peak of 1969. As the number of jobs increases, the number of New Yorkers competing for those jobs will stabilize, or in some categories, decrease. The city's population will probably grow slowly from today's 7.1 million to 7.5 million by the turn of the century. While the population in 2000 will still be less than the city's peak population of 7.9 million in 1970, it reverses the recent trend of population loss and represents solid growth. Immigration will be a continual and important source of that growth. Further, the number of people between the ages of 15 and 24, the years of entry to the workforce, will decline between now and 2000 (Figure 1). (All of these figures understate the city's total population because of the number of hidden New Yorkers—the 500,000 to 750,000 people missed by census counters.) The combination of a growing economy, a fairly stable population, and a decline in the number of potential new young workers provide the setting from which all New Yorkers can prosper.

Prosperity is basic to New York's promise. In 1931, Thomas Adams wrote, "There is no city in the world that has a greater influence than New York . . . All over this continent it is imitated, even where it is said to be feared. Men say New York is a warning rather than an example, and then proceed to make it an example. Outside America, New York is America, and its skyscraper a symbol of the spirit of America."

In planning New York's future, we must keep in mind what has made New York, this spirit of America, great. While many forces have contributed to New York's character, four

Figure 1. POPULATION CHANGE 1980-2000 (in thousands)



SOURCE: Urbanomics

stand out in our view as crucial: New York's preeminence as a world city; the diversity and strength of its neighborhoods and people; its role as a provider of opportunity; and the importance of its basic services. And in all four areas we believe present conditions and likely trends for the city's future provide major challenges, despite positive overall population and economic indicators. New York's future should be shaped by the best of its past. The challenge ahead is to develop strategies and plans by which these past strengths contribute to the city's future.

A WORLD CITY

In 1915, the pioneer thinker on city planning, Patrick Geddes, noted that certain cities conduct a disproportionate part of the world's business. Such "world cities" are national centers of government and trade as well as great ports, the sites of international airports, and the focus of roads and railways. As hubs of professional and intellectual talent, they house the finest universities and institutions of research and learning, hospitals, cultural institutions, libraries, and entertainment complexes. They are centers for disseminating information, headquarters for major publishing houses, periodicals, and radio and television networks.

Even when Geddes coined the phrase, New York stood the test of every measure as a world city. By the turn of the next century, it should be the unrivaled world city. This goal is achievable because New York has recovered from one of the most shattering episodes in its history—its economic decline and fiscal crisis—and recovered to an extent nearly unimaginable ten years ago. Since 1977 the city's economy has seen the largest sustained job growth in the 35 years for which data are available. Unemployment is at the lowest level in twelve years. This recovery was hastened by an economic transformation that confirmed New York City's dominant role as the major international center in finance, business, and culture. Continued preeminence, however, is not guaranteed.

An important element in New York's economic strength has been its incubation of new ideas and techniques in a wide variety of fields. Lewis Mumford once likened big cities to

museums where "every variety of human function, every experiment in human association, every technological process, every mode of architecture and planning can be found somewhere within its crowded area." Diversity has always been key to New York and its greatness, but New York's role as incubator, creator, and stimulator is being challenged by other cities in this country and abroad. New York's ability to withstand competition depends partly on the city's capacity to respond to international economic forces, and partly on its ability to provide a hospitable climate for new ideas in business, finance, the arts and science.

The variety of the city's population produces not just diversity but richness, not just complexity but tolerance, perhaps generated as much by necessity as by disposition.

New York is not only a world city in its economy and trade, but in its population. From its founding, New York's character has been strengthened—perhaps even determined—by the diversity of its population. "We should not confuse the heterogeneity of most of the great cities of the world with that of New York," wrote Nathan Glazer and Daniel Patrick Moynihan in *Beyond the Melting Pot*. "The classic heterogeneity of great cities has been limited to the elite part of the population. . . . The heterogeneity of New York is of the masses."

Today one-quarter of New York's population is foreign-born. The diversity of cultures continues to increase as such new immigrant groups as Haitians, Dominicans, West Indians, Koreans and Chinese arrive. We anticipate a large migration of people from Hong Kong between now and 1997, when the British crown colony is claimed by the People's Republic of China. And the city may receive large migrations from politically troubled sections of the world.

While it is impossible to predict how many new immigrants will come here (reputable studies have projected from 750,000 to 1,250,000 immigrants between now and 2000), we do assume that New York will remain the preferred residence as well as the chief entryway to the country for most immigrants. As a result, it will continue to have the world's most heterogeneous population, and the most diverse range of ethnic neighborhoods, cultural institutions, restaurants, and shopping available anywhere. While making New York unique, this heterogeneity complicates even the most routine urban problems.

A CITY OF NEIGHBORHOODS

The variety of the city's population produces not just diversity but richness, not just complexity but tolerance, perhaps generated as much by necessity as by disposition. Preserving the best of this tradition, and maintaining and improving the neighborhoods that keep traditions alive, is as important to the city's future as the strengthening of the world city reflected in midtown and lower Manhattan. New Yorkers instinctively see the architectural and economic diversity that has traditionally flourished in city neighborhoods as an accurate reflection of the diversity of ideas, cultures, and classes that has also prospered. As a result, many New Yorkers resist changes that they fear will bring large dull buildings and, in the wake of such buildings, dull neighborhoods. One of our most serious challenges ahead is to determine how to promote the residential and commercial development needed to house and employ New Yorkers, while re-

taining the public spaces, and architectural and economic variety that have made New York neighborhoods special.

Bruce Davidson/Magnum Photos

Preserving the best of New York's traditions of diversity and tolerance, and maintaining and improving the neighborhoods that keep traditions alive, is as important to the city's future as the strengthening of the world city reflected in midtown and lower Manhattan. Housing is a vital element in the stability of neighborhoods, and its preservation and rehabilitation is crucial to a well-functioning city.

Although the process of past immigration was no doubt far more difficult and brutal than it seems in retrospect, New York's success in offering many generations of new arrivals the chance to move ahead is truly astonishing.

Over the last few decades, the city's neighborhoods have been through a period of significant change that has altered both the physically identifiable nature and the quality of life of many communities. Some changes have been for the better, some for the worse. Many of the middle-class neighborhoods that were once the heart of the city saw their residents flee and their buildings deteriorate. Even as today's rebirth of neighborhoods like Flushing, Astoria, Crown Heights, Washington Heights, the Northwest Bronx, and Brighton demonstrates how neighborhoods can be revitalized, many of the city's neighborhoods stagnate or continue to decline. As local institutions such as schools, small businesses, voluntary associations, and religious institutions have weakened, many neighborhoods have ceased providing the mutual support and social oversight that keep a community cohesive and functioning.

While it is difficult to separate cause from effect, the symptoms of this dissolution of community clearly include the breakdown of traditional family structure, the abandonment of housing, youth unemployment, crime, and drug abuse. Urban neighborhoods have historically undergone enormous changes as poor but upwardly mobile immigrants became prosperous and moved out of the old neighborhood. Those who moved were replaced by a new crop of immigrants, frequently from the same background (perhaps even from the same town or shtetl) who hoped for the same path to success. When deserted by their most successful residents, too many of today's neighborhoods have stagnated, and their remaining residents have become alienated from the larger society.

Racial and class segregation concentrate poorer families in the neighborhoods of the South Bronx, central Brooklyn, Harlem, and East Harlem—neighborhoods where more than three out of five households with children are headed by a single parent. These neighborhoods are marked by high rates of infant mortality, welfare dependency, crime, low educational achievement, and severely deteriorated housing.

Housing is, of course, a vital element in the stability of neighborhoods. Housing abandonment and arson have virtually ended in the city, and the number of units in the housing stock is slowly increasing. The shift from rental to owner-occupied housing is not without problems, but it is also a sign of the desirability of living in New York. Yet the loss of housing units in the 1970s and the high costs of new construction combined with the federal reluctance to support housing have produced a seemingly insurmountable crisis, one that could leave the city short by nearly 400,000 units in the year 2000. If New York is to remain a middle-class city, it must have sufficient housing in strong, stable neighborhoods to house the generations of families that have inhabited its neighborhoods in the past. The city's most pressing housing problem is the need to build and preserve an adequate supply of sound low-income housing. In addition to conventional programs to build and preserve housing, the city will also need special housing arrangements for those elderly, ill, or disabled people who need support services but who are able to live outside institutions. By itself the creation and maintenance of housing will not yield the supportive neighborhoods essential to a well-functioning city—but sound housing is the first step.

A CITY OF OPPORTUNITY

Although the process of past immigration was no doubt far more difficult and brutal than it seems in retrospect, New York's success in offering generations of new arrivals the chance to move ahead is truly astonishing. E. B. White was right in saying that, at its best, New York City is "to the nation what the white church spire is to the village—the visible symbol of aspiration and faith, the white plume saying that the way is up." Or as Thomas Wolfe said, New York is "the city to whom we came when our hearts were high."

This is the most critical part of our vision of New York—New York as the symbol and reality of opportunity and hope. People have always come to New York for jobs and a better life. Opportunity and hope, however, require a labor market that can supply jobs for all residents seeking work. Both economic and demographic projections indicate that such a market is possible between now and 2000. Yet the demographic projections suggest that other obstacles will arise as the city's population changes in size, age, race, and ethnicity. The city will have far more old people, particularly those aged over 85, who will require more services, thereby draining government resources unless more humane and cost-effective ways to provide those services are found. The racial composition of the city will continue to change, as the number of blacks, Hispanics, and Asians increases, especially among younger age groups. Most of those entering the job market will be members of two groups (blacks and Hispanics) traditionally left out of the labor market in the past (Figure 2). While this combination of economic

Bruce Davidson/Magnum Photos

New York has for centuries been the symbol and reality of opportunity and hope. Opportunity and hope, however, require a labor market that can supply jobs for all residents seeking work. We would like to see Manhattan's exuberance and wealth spill into the other boroughs, where many neighborhoods have not shared in the city's resurgence.

and demographic conditions sets the stage for New York to be a true city of opportunity for all, the accomplishment of such a goal will not happen unless we make it happen.

All recent large migrant groups from both rural America and abroad have been poorer than the average resident New Yorker, which is of course one reason they migrated. What separates more recent migrants from the migrants of the earlier part of the century is not their lower income but the possibility that large numbers of people may remain outside the labor force. Since World War II, those migrating to the city have been disproportionately non-European, and

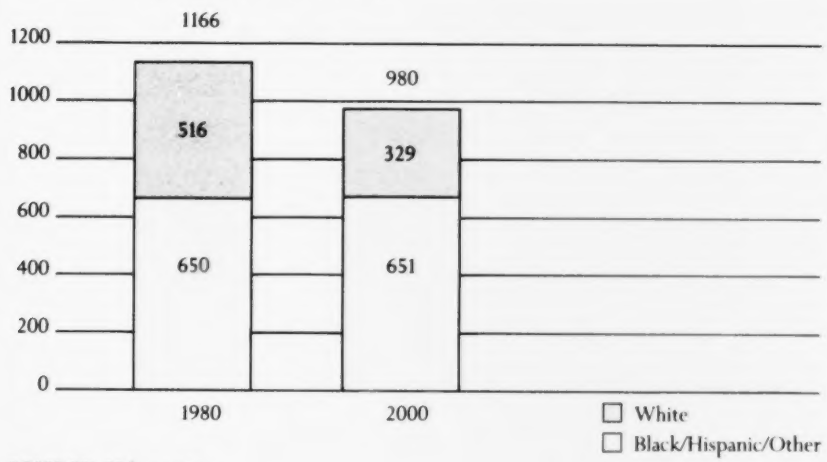
At least one provocation for rude behavior in New York has been frustratingly bad services. Services that work well promote civility rather than aggression—and we envision a civil city.

therefore distinguished by race as well as by the language, religion, and cultural differences that characterized former immigrants. By 2000, non-whites and Hispanics will account for about 60 percent of the city's population, up from 48 percent in 1980, and only 12.7 percent in 1950. Barring a significant new immigration by another European group, this trend should continue well into the 21st century.

Unemployment rates for black and Hispanic males are twice that of white and Asian males, and have been for some time. With long-term unemployment has come the breakdown of many black and Hispanic families. A black or Hispanic child is three times more likely than a white child to be raised in a family with only the mother present. Many children are raised in households lacking both parents: One out of eight black children, one of 12 Hispanic children, and one in 25 white children live with neither parent. Far too many children are growing up without the emotional or economic support that most of us regard as every child's birthright.

These trends, and the problems they represent, may be more serious in 2000. Single-parent families constitute 12 percent of the city's households today, and unless current trends are reversed, their proportion will grow to about 15 percent by the year 2000. Almost 90 percent are headed by women, whose families average only one-quarter of the income of intact families. These circumstances make living conditions more strained, and give children less support during the years in which they are developing and maturing. As changes in the traditional family structure occur, schools, employers, and local community institutions must adapt in

Figure 2. POOL OF NEW ENTRANTS TO THE LABOR FORCE AGES 15–24 (in thousands)



SOURCE: Urbanomics

ways that continue to permit people to succeed in education and employment.

Just as demographic changes will strain the city's ability to provide opportunities for all, changes in the economy may make this goal even harder to achieve. While the city will have more jobs, the new jobs will be different from those lost during the 1970s. Most new jobs will be in the service sector; the lost jobs were in manufacturing. While services will provide some unskilled jobs, some 90 percent of new jobs will require a high school diploma. Yet 40 percent of the city's adult workers lack a diploma, and approximately one of every three public high school students leaves before receiving a diploma. If poor New Yorkers are to be brought out of poverty, they must be properly prepared for the strong but competitive economy of the future. This will require an excellent education system that produces a liter-

ate and versatile workforce capable of competing in an age of information.

A CIVIL CITY

All of the things that make New York New York—the pace, the size, the diversity, the density, the tumult—also make it a strained and difficult place to be, a place Marianne Moore called "a savage's romance." Saul Bellow noted that "what is barely hinted in other cities is condensed and enlarged in New York." The condensing and enlarging of human activities make New York what it is—robust, energetic, and rude. Ours is a young and aggressive city, and even when aged will probably not have the charm or calm of a pastoral village. When Siegfried Sassoon wrote his poem on Fifth Avenue, his famous comparison was "O Babylon! O Carthage! O New York." Like New York, Babylon and Carthage were not known for civility; they were known for trade, commerce and prosperity. Nonetheless, we believe civility should be a goal for the 21st century, and that New York's government and its citizens can help.

At least one provocation for rude behavior in New York has been frustratingly bad basic services. A world city requires excellent basic services, and New York has had to make do with low-grade services for too long. Services that work well promote civility rather than aggression—and we envision a civil city. The 21st century is not far away, and if it is to be a century of civility, creativity, and greatness we must begin today to ensure that the underpinnings of greatness—some of them mundane—are in place. This means

that traffic must move efficiently; the subways must be clean, reliable and quiet; the air must be clear; the parks green; and the roads smooth. For the city to be agreeable, it must be understandable, not only for the native New Yorker but for the enormous number of business people and tourists who find the city intimidating and bewildering, its public maps and signage vandalized, incomprehensible, or non-existent.

Our public institutions must function well. The schools must educate their students, the police protect our citizens, and social workers help the poor, the sick, the abused and the neglected—young and old. Most basic services are far better today than they were ten years ago. Ten years ago services were abysmal; today they are adequate. Basic services are the public sector's contribution to the life of the city—and the public sector must be held to that contribution. By 2000, no excuse should be made or accepted for shabby or inefficient services.

The city government must also strive to develop a more beautiful and humane city, not just a commercial city. The quality of public spaces (parks, streets, subway stations) should be preeminent in the planning and rebuilding of New York—and respect for public spaces should be preeminent in the behavior of New Yorkers. Such respect, which must become a dominant part of New York's public culture, should be the individual New Yorker's contribution to the life of the city.

An irony of the New Yorker's mistreatment of shared and public spaces is that many New Yorkers have made their

The city government must strive to develop a more beautiful and humane city, not just a commercial city. The quality of public spaces should be preeminent in the planning and rebuilding of New York—and respect for public spaces should be preeminent in the behavior of New Yorkers.

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way upward in life by fully using the city's public institutions as well as those private institutions open to the public. For at least a century, the ambitious New Yorker has been able to give himself an unsurpassable education by patronizing the city's libraries and museums. These institutions are organized to pass on the gifts of civilization to all who work to accept them.

For whatever reason—and many have been given—too many New Yorkers are careless of shared spaces, whether parks or subway stations. Part of the problem may be the legacy of the fiscal crisis, when New Yorkers had to tolerate far worse basic services all around, but in particular, tolerate a very dirty city. Part of the problem may be a deeper legacy, a legacy of what the Federal Writers' Project in the 1930s called the ruthlessness of New York's extraordinarily rapid growth, which permitted development that "cut off waterside areas from public use, gobbled up available park sites, covered blocks with sunless tenements and no less sunless apartment houses, made night and day indistinguishable under the overhanging scarps of lower Manhattan . . . " The Writers' Project noted that while New York City had somehow condensed and accommodated in 330 years the stresses that Rome and Paris had endured over 20 centuries, New York had paid a heavy price in growing too fast, too large, and too dense. New York today is not only paying a heavy price in enduring a harsh and uncivil environment, but may be permitting that environment to worsen. It is our generation's responsibility to determine how to make New York a far better—not a worse—city in 2000.

As we have looked to the future in this commission, we have repeatedly looked to the past, to the heritage of our city, to its many eras of greatness. Our own century's most dramatic era immediately followed World War I, when many of the city's finest buildings were planned. It was a time in which the local economy was very strong and partly driven by the post-war national economy; the state government instituted innovative social programs that set the standards for the country; and the spirit of the age was one of ebullience and excellence, captured in everything from high finance to baseball, and described by the poets of the Harlem Renaissance and the writers of Greenwich Village. Great things were done by a citizenry intent on greatness.

That is the gauntlet that our heritage throws at our feet. As this Commission looks to 2000, we hope that future public discussion will focus on our vision of the city, a design composed of specific changes within fundamentally reformed systems. The goals we have defined are achievable only through struggle and commitment. New Yorkers have made such commitments before. This report sets out our strategy for ensuring that New York meets the year 2000 as the world's capital, a city of grace for its visitors, opportunity for its residents, and welcome for those who come here for a better life.

II. DEVELOPING THE CITY

Over the next fifteen years, New York City's basically strong economy could offer opportunities New Yorkers have not had for decades. While the city's economy will grow by some 300,000 new jobs, the region's labor force will grow only three-fourths as fast. As older workers retire, fewer younger people than in previous years will enter the labor market to replace them.

While there are real limits to what city government can do to shape the economy, the city can make a significant difference in several areas by (1) becoming a less expensive place to do business; (2) expanding the central business district and establishing regional centers in each borough; (3) revising the zoning resolution to promote sound development while preserving neighborhoods; (4) promoting those areas, particularly culture and the arts, parks, and libraries that have made New York uniquely attractive; and (5) planning for and rebuilding a city whose beauty and amenities will make people want to live and work here. The city should particularly plan for its undeveloped frontier—the waterfront.

New York City is once again crowded, energetic, and exciting. Its economy is booming. Every day brings new businesses and new customers to a wide variety of neighborhoods—from the European panache of upper Madison Avenue to the Asian vitality of Flushing. Retail stores are opening everywhere—the total is over 50,000—selling every conceivable kind of product. Of the city's 14,000 restaurants, Manhattan alone has 7,500, or one for every 200 inhabitants. Wall Street is again the world's capital in finance, and auxiliary services of all kinds have sprung up to oil the machinery of finance, real estate, and insurance.

Once nearly extinct crafts like stone masonry and marble sculpting now thrive as both commercial and residential buildings are preserved and rehabilitated. And alongside the conventional economy, culture and the arts prosper as well, consolidating New York's unrivaled position as the world center of the arts.

We think one reason for the rebirth of cities has been the attraction of their diversity and dynamism—a diversity we do not want replaced in New York with a veneer of sameness.

In the face of such economic exuberance, it might seem churlish to ask what the future will bring, or question the strength and duration of the boom, or probe the weaknesses of our economy, or wonder whether New Yorkers are participating fully. Those, nonetheless, are our questions for 2000 because few of the goals stated in this report can be met without a strong economy. Such questions are troubling not only because even the best projections go awry, but also because many important factors are unpredictable. Very few observers in the 1970s foresaw that foreign capital would come to New York in such large amounts, transforming the real estate market and fueling new businesses throughout the city. Nor did very many observers predict that after years of urban decline, cities would again become preferred locations for residences and businesses.

We think one reason for the rebirth of cities has been the attraction of their diversity and dynamism—a diversity we do not want replaced in New York with a veneer of sameness. We want the economy to grow and New Yorkers to benefit, and we think that will best be done by encouraging the heterogeneity of the city to flourish, and by regarding public spaces, libraries, parks, and the arts as necessities, not trivialities. We are concerned about Manhattan, the city's central driving force, but we think most of Manhat-

Today's great underused resource that should be propelled to full potential by public investment is the waterfront. It is the undeveloped frontier that should be to our century what the Erie Canal, the Croton Reservoir, and Central Park were to the nineteenth.

tan's economy will take care of itself. We would like to see Manhattan's exuberance and wealth spill into the other boroughs, and many of our proposals aim for this goal.

There are real limits to what the city government can do to shape the economy. Often, the city's most constructive role is to stay out of the way. For most New York businesses the operative rule—the fashion industry is illustrative—is change. The profitable firms are the ones that anticipate the changes first. Yet the city government often has trouble distinguishing beneficial from destructive change, or permanent change from impermanent. And even when causes of economic decline are understood, it is seldom clear when city officials should try to stem decline or when it is healthier to let it occur. Even harder to predict is the occasional attempt to bring an industry back. While many attempts fail, the city has benefited enormously from the tenacity of economic development officials who, in the mid-1960s and early 1970s, decided that movie-making could return to New York if the city government helped ease the way with expeditious permits, crowd control, and general cooperation. While the city's role should be to help shape, not fight, market forces—which are much stronger determinants of the city's economy than anything city government does—recognizing those forces takes great skill.

The city government's major influence on the economy is its rebuilding and maintenance of the capital plant. One way to envision the importance of capital investment is to think about what the city would be like without the investments of the past—Brooklyn without its bridge; midtown without Central Park; the five boroughs without the sub-

ways; the entire region without the airports. Today's great unused resource that should be propelled to full potential by public investment is the waterfront. It is the undeveloped frontier that should be to our century what the Erie Canal, the Croton Reservoir, and the railroads were to the 19th.

Trying to plan simultaneously for New York, City of the World; New York, City of Families and Neighborhoods; and New York, City of Opportunity is immensely complex. The very complexity of the challenge, however, demands that we be as comprehensive in our analysis and as strategic in our planning as possible. Long-range strategic planning is a necessity, not a luxury; it must be done continuously as part of the city's routine operations. And it must be carried on with the understanding that as the world's paramount financial center, New York both shapes and is shaped by the world economy. As a city of neighborhoods and of opportunity, New York both shapes and is shaped by its people. Our task is to see that both cities—City of the World and City of Neighborhoods—shape and support one another.

The forces of the national and world economies have a much greater effect on the city's economy than city government can ever hope to have. The city is prospering now because its base industries—finance, business services, communications—are fields that are prospering nationally, while many of the economic sectors that are in trouble nationally have either in large part left (shoe manufacturing) or have never been here (energy). New York's economy is well positioned to take advantage of the sectors of the national economy that will continue to thrive. In particular,

New York's role as the center of U.S. capital markets has enabled it to benefit enormously from the dominant U.S. role in the world economy. Nonetheless, some of the city's advantages may be temporary, depending on national and international events.

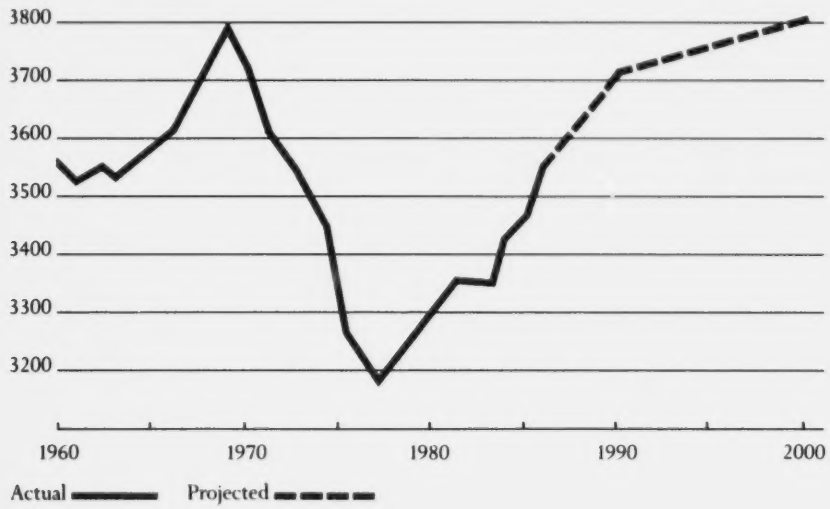
The city faces fierce competition from other cities, states, countries—and other parts of our own region. The Commission feels strongly that New York is an integral part of its region and that the city and the region will flourish or perish together. It nonetheless urges the city to minimize any competitive disadvantages it can, including those that put the city at a disadvantage within the region. The city's economy is undercut by high taxes, energy costs, and commercial rents, as well as by the growing gap between the skills required for today's jobs and the skills possessed by city residents. If the city workforce is to be fully competitive in the future, it must be trained (and retrained) with the skills of the future—those of science, engineering, high technology, and other emerging fields. Worse, the city's dilapidated capital plant, a legacy of the fiscal crisis, makes life here difficult and costly.

To compete in the future, the city must (1) hold onto and improve employment opportunities for its workforce, in part by becoming a less expensive place to do business; (2) expand the central business district and establish regional centers in each borough; and (3) plan for a city that is beautiful as well as efficient.

IMPROVE EMPLOYMENT AND BUSINESS OPPORTUNITIES

As we look to the future, we are fairly confident about many projections. We agree with the conventional forecasts that show that by the year 2000, the city's economy will have produced some 300,000 more jobs to be filled by a quite different workforce (Figure 3).

Figure 3. EMPLOYMENT 1960–2000 (in thousands)



SOURCES: Bureau of Labor Statistics; Regional Plan Association

This slow but continued growth in employment will probably see increases in construction, finance, and services, but ongoing decline in manufacturing. With changing demographics, fewer young people will be available to enter the workforce, and most of those will be black and Hispanic; many older white workers will retire. Because the region's

labor force will grow only about three-quarters as fast as the number of jobs, the labor market should offer enormous opportunities of the kind that New Yorkers simply have not had over the last couple of decades. This combination of economic and demographic conditions presents the city with a chance of making itself a true city of opportunity for all. In an economy as strong and energetic as this one, there should be a job for every job seeker.

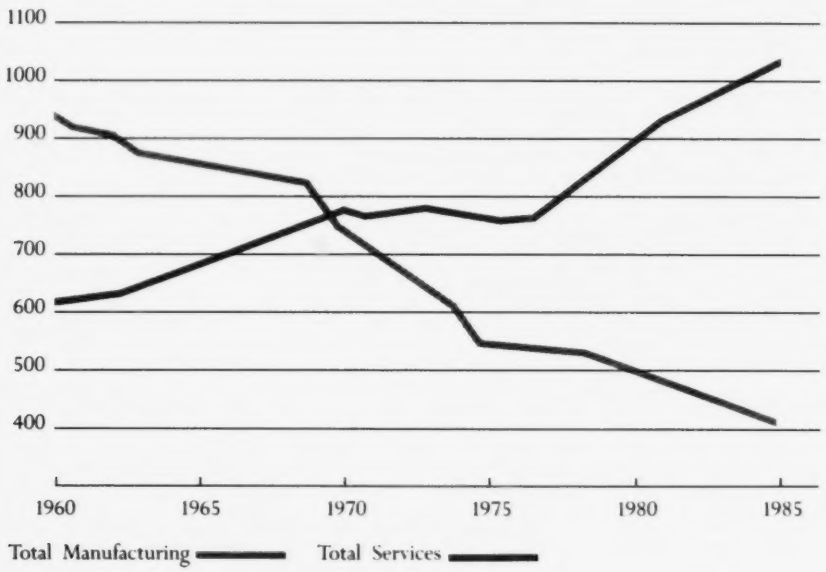
Provide employment opportunities for New York workers. Because job growth will exceed labor force growth in both city and suburbs, for the first time in decades there will be enough jobs for city workers—*if* workers are educated and trained for the jobs ahead. The city must seek to maintain semi-skilled and skilled jobs, which means retaining a base of manufacturing jobs and, perhaps even more important, retaining low-level clerical jobs.

Traditional manufacturing in New York has been on a downward spiral since 1950. Data from the Bureau of Labor Statistics show that with the exception of the economic crisis that occurred between 1969 and 1977, when manufacturing jobs declined at an annual rate of 5.2 percent, the rate of job loss since the middle of 1981 has been the worst on record (Figure 4). Manufacturing's decline is particularly worrisome because manufacturing has been a ticket to upward mobility for unskilled workers. Almost half of today's manufacturing jobs are held by blacks and Hispanics. The city cannot easily say good-bye to a sector that even now provides 13 percent of the total employment base. Continued loss of manufacturing is also troubling because it is

concentrated in outer borough neighborhoods, many of which will be badly hurt by any further job losses.

In the long run, the city will not be able to retain a large manufacturing sector in direct competition with cheap labor markets. Yet the overall decline in manufacturing in Western industrialized countries has masked a shift in the types of manufacturing thriving in New York and other sections of North America and Europe. While many traditional plants have closed, more flexible manufacturing firms providing specialized high quality goods tied to the service sector or other local markets are doing well. Within New York's garment industry, for example, very high-fashion manufacturing thrives under the daily pressure of constantly

Figure 4. MANUFACTURING & SERVICES EMPLOYMENT (in thousands)



SOURCE: NYS Department of Labor

Despite enormous changes in the local economy, the overall tax structure has not been reformed. The city is still left with the most complex urban tax structure in the country, perhaps in the world. It must thoroughly revise this structure.

changing designs. Similarly, costume-making for theater, dance, opera and other arts prosper within blocks of the arts that demand it. While much traditional printing has fled to the suburbs or even distant regions, the daily printing required by financial firms is firmly located in Manhattan. The city should make every effort to support the manufacturing that can be successful here. It must also recognize that even in manufacturing, higher skill levels will be required in the future.

Manufacturing aside, the growing finance and service sectors provide large numbers of lower-skilled jobs. Over 60 percent of the city's service jobs are in three occupation groups—clerical, maintenance and repair, and service (including janitors, guards, dishwashers, and housekeepers). Over 80 percent of back office jobs are clerical; in real estate, almost 70 percent. It is in the city's interest to hold onto as many of these jobs as possible. The city government can help by (1) keeping costs down for all businesses; (2) contributing land for industrial development for businesses forced to leave prime locations; and (3) providing tax abatements and low-interest loans in special cases.

Keep down the costs of doing business in New York. The benefits of doing business in New York are great—but so are the costs. Competition from other jurisdictions is far too ferocious to permit the city to be relaxed about the cost-benefit ratio of doing business here. New York City's taxes are the highest in the country. While local taxes are often insignificant to the huge Fortune 500 companies headquartered here, taxes can be very important to small businesses which, despite the city's image as headquarter

city to Fortune 500 companies, remain the dominant form of New York business. (More than 98 percent of the city's companies are small, and they employ nearly half of the private sector's workers.) Over the last few years the city has reduced the total personal and corporate tax burden, and has abated some taxes that were considered particularly onerous. Such measures have been a step in the right direction, but they are no substitute for thorough reform.

Despite enormous changes in the local economy, the overall tax structure has not been reformed. The city is still left with the most complex urban tax structure in the country, perhaps in the world. While in the short run the city should continue its targeted tax relief to help those businesses for which taxes are an identifiable major problem, in the long run—before the year 2000—it must thoroughly revise its tax structure to rationally and fairly correct the inequities that have developed.

The city's first priority should be utility taxes. New York continues to lead the country in both energy and telephone costs, two crucial components of business expenses. Taxes represent one-third of the energy bills paid by business. The city and state should extend the policy of lowering the gross receipts tax on utilities for businesses (begun on a limited basis in the boroughs) to cover the entire city. While some differential between tax rates in the central business district and the rest of the city should be retained, the costs of energy throughout the city are far too high and therefore should be lowered in Manhattan as well. The city should continue its campaign to get access to the low-cost electricity generated by hydroelectric power upstate. In addition,

New York City must take and hold its place as the world's center of information and communications—two industries that will continue to outperform the world economy as a whole.

taxes are a high component of telephone costs, and many service businesses, particularly in finance, are very sensitive to this single cost.

High utility taxes, which were based on the faulty premise that demand for utilities was inelastic, are a good example of what can go wrong with the tax structure. Destructive to the economy as high utility taxes have been, they have brought in large amounts of revenue. Similarly, both the unincorporated business tax and the commercial occupancy tax yield significant amounts of revenues although many experts consider them to be destructive taxes. Yet lowering any tax requires either cutting expenditures or making up the revenues elsewhere. Both fairness and efficiency require that the entire system be revised so that the city's economic goals can be met without jeopardizing the city government's ability to pay for services.

Maintain New York's prominence as an information center. In the future, as developments in information technology transform an industrial age into an information-centered age and knowledge and information play an even greater role in the economy, institutions of higher and continuing education, the great research libraries, and the city's telecommunications and information-processing infrastructure will play an enormous role in supporting the city's economy. The systematic arrangement of theoretical knowledge will be the basic resource for guiding and shaping society's future structure, and libraries as well as centers of learning such as universities, will take a central role in assimilating and disseminating technical knowledge as it increases in quantum leaps. New York City must take and hold its place as the world's center of

information and communications—two industries that will continue to outperform the world economy as a whole. The city's task is to build on the strengths of the institutions that are here while recognizing what is lacking. A recognizable barrier to the city's being competitive in 2000 in technology and sciences, particularly in computers and bioscience, is the lack of a major academic and research center in the sciences. The city should begin now to establish such a technological center, using the strengths of the city's universities and corporations. Handled properly, such an initiative should create an urban, 21st century version of California's Silicon Valley and Route 128 in Massachusetts.

MAKE MORE SECTIONS OF THE CITY ATTRACTIVE TO BUSINESS

Over 90 percent of the city's jobs in finance and business services are in Manhattan's CBD. The CBD is where business wants to be, and the costs and density of the CBD reflect the demand. As the costs of doing business in midtown and downtown continue to rise, many businesses that would like to stay in the city cannot afford the increased rents.

Expand the Central Business District. The central business district drives New York's economy. Many businesses now in the CBD have little reason to remain in New York if they cannot be centrally located. This is reflected in the loss to the city's suburbs of more than 25,000 back-office jobs between 1976 and 1983. To maintain growth, the city will need an enlarged CBD, which can expand to downtown

While zoning is supposed to set clear as-of-right rules for what can and cannot be built, it has in practice become a minimal standard from which developers negotiate. The zoning resolution must be revised as a clear code of comprehensible standards.

Brooklyn, between midtown and downtown Manhattan, and to Long Island City in Queens.

While Manhattan's expansion will require little or no action by the city other than re-zoning, expansion to downtown Brooklyn, which has excellent public transportation and is close to downtown Manhattan, will need help. Many of Brooklyn's new private developments have needed city tax abatements, land writedowns, direct capital investment, or other help. The city will need to continue this mix of incentives to make Brooklyn competitive with other areas in the region. In addition, the city will have to improve the neighborhood's ambiance, ensuring that it not only *is* safe and clean but that it *looks* safe and clean, targeting city services such as police, fire, and sanitation to selected areas.

Except for supporting the Port Authority's plans in Hunter's Point, the city has not made similar efforts in Long Island City, perhaps because some manufacturing plants still operate there and the city is reluctant to take any steps that might discourage manufacturing. Because of the area's current mixed-used character (industrial uses flourish alongside commercial and residential), new development could occur in Long Island City without jeopardizing the local manufacturing jobs. New businesses, particularly in design, have moved across the bridge in great numbers, and the city should study the area carefully to determine whether the city has a useful role to play.

Revise the Zoning Ordinance. As part of its expansion of the CBD as well as its overall program to lower development costs, the city must re-examine the zoning ordinance

of 1961. Excellent as the zoning resolution is, it presents two problems. First, many city neighborhoods have been transformed in the last 25 years, and the zoning resolution has not kept pace with the changes. Neighborhoods that were once primarily industrial have become residential, and neighborhoods that were once exclusively residential have become mixed-use. The city is full of what the resolution regards as non-conforming uses. Some of those uses are good, some bad, but all rapidly changing neighborhoods need another look.

Regional centers not only service the city's economy, they strengthen neighborhoods.

Second, while zoning should be a relatively straightforward matter—telling the developer clearly what he cannot do—it has become very complex and, in many instances, ambiguous. While zoning is supposed to set clear as-of-right rules for what can and cannot be built, it has in practice become a minimal standard from which developers negotiate. Under a properly updated resolution, more development should be able to proceed as-of-right, and case-by-case negotiations should be few. The resolution must be coherently revised to emphasize the special qualities of neighborhoods and the value of mixed uses, particularly on major streets. While zoning is an important planning tool, it should still function as it was intended, as a clear code of comprehensible standards. With an increased understanding among neighborhood residents and developers of the development permitted under the revised zoning, anxiety on both sides should be lower, and the city should be able to move development proposals efficiently through its regulatory process.

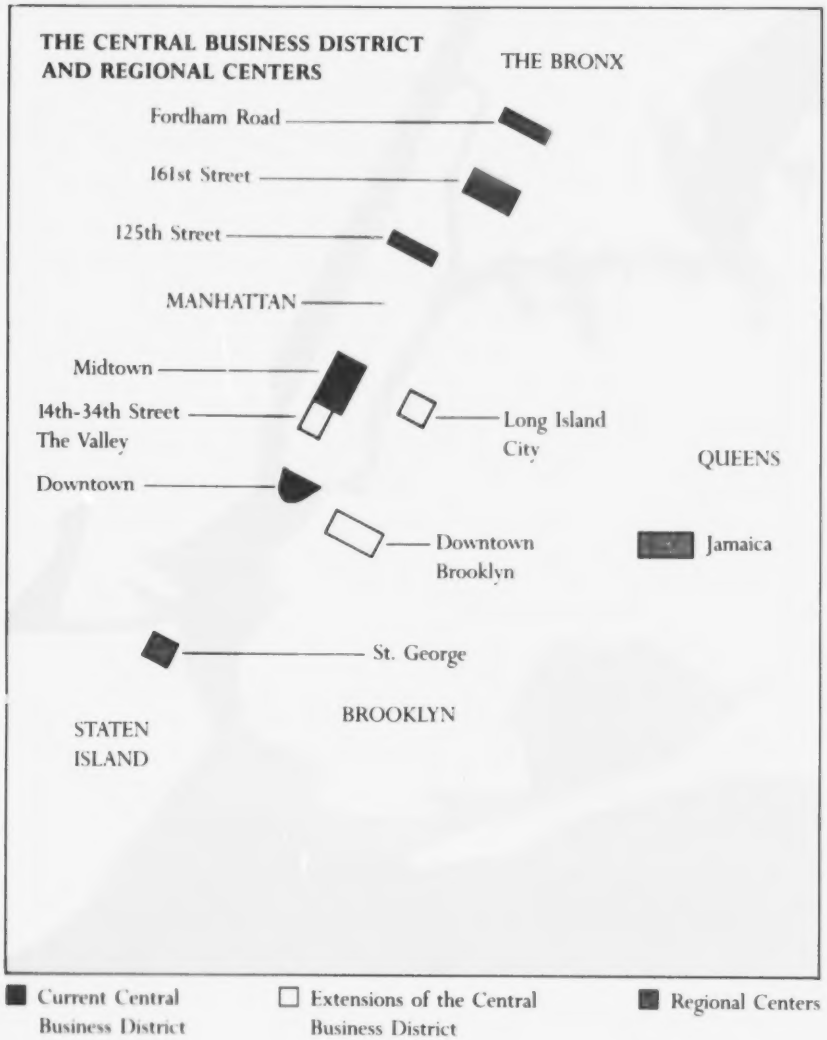
In revising the resolution, the city should enlist established technical experts, but should also build on the knowledge

gathered by community boards. Several boards in Queens and Manhattan have begun thorough analyses of zoning in their neighborhoods. The goal of the revised zoning should be to permit orderly development to proceed while maintaining the integrity and diversity of neighborhoods.

Develop regional centers. Despite its resilience as a world capital of finance, communications, and culture, New York must worry about the technological advances that may unlatch many jobs from their current geographical locations. Jobs that can just as easily be done where the housing and office space is cheap will move. The city's office costs will never be able to compete with those of, say, South Dakota. If a bank can technologically move its back offices to a cheap site, no amount of tampering with a few expenses here will save those jobs. Yet many office jobs can be kept if some costs can be reduced, and regional centers in the boroughs may provide the city with an excellent means of doing so.

The centers should seek to capture the overflow of businesses whose first choice would be a Manhattan location if they could afford one. Until recently, office firms moving out of Manhattan have tended to move straight to the suburbs, bypassing the boroughs altogether. Regional centers can correct that by providing businesses excellent office space accessible to the CBD. The trick for the city will be to improve the ambiance and keep costs down, using the mix of incentives and capital investment prescribed for downtown Brooklyn, so that relocating in the city is indeed preferable to moving out. The city will be building on strong

market forces that are already in play. Since 1984, every borough has seen a growth in jobs.



Regional centers not only serve the city's economy, they strengthen neighborhoods. Each center should provide a central shopping district, a locus for entertainment and

If strategic planning were simple, it would be done more often and more thoroughly. Strategic planning is hard, and it must weigh very different interests and considerations in promoting the general welfare of the city.

culture, an area for local employment, both government and business services—particularly good security, and transportation links to the CBD and nearby residential areas. The centers can offer less expensive land, good access to mass transit and highways, and an existing but underused capital plant. Fordham Road and 161st Street in the Bronx; Jamaica in Queens; St. George in Staten Island; and 125th Street in Manhattan should be developed as centers.

In addition, the city needs to create centers to serve as new homes for industries such as garment manufacturing, printing, and electronics that are being forced out of Manhattan. In those instances in which the benefits of keeping businesses in New York outweigh the costs of aiding them, the city and state should provide subsidies and incentives to help them relocate within the city. Because these industries benefit from their current concentration in defined districts, the city should relocate them to a defined district in an outer borough.

For the emerging manufacturing industries, the city should develop small business incubators outside Manhattan, and provide lowered rents, reduced energy costs, low-interest loans, and technical assistance. These smaller businesses would benefit from developing associations much like the small business associations now emerging so successfully in Italy. Such associations would help the city deal more effectively with their needs. Other potential sites for relocating or incubating businesses include Bush Terminal and the Navy Yard in Brooklyn; Long Island City, Maspeth, and Flushing in Queens; 149th Street and other parts of the

South Bronx; and the area surrounding the proposed Navy Port in Staten Island.

The city's efforts to promote the boroughs have already paid off in increased employment, which we expect to continue. The Port Authority projects that between 1984 and 1990, the boroughs will see an increase of 28,000 jobs, and another 10,000 jobs between 1990 and 1995. The regional centers, which once defined an economic identity for each borough, and industrial centers, which would house compatible manufacturing firms, have to be part of a real economic development plan for New York—not just part of the city's rhetoric. Such centers are not going to develop by themselves. The city must *make* them happen.

PLAN FOR A BEAUTIFUL AS WELL AS EFFICIENT CITY

If strategic planning were simple, it would be done more often and more thoroughly. Strategic planning is hard, and it must weigh very different interests and considerations in promoting the general interest of the city. New York's capital plant is one of the largest in the world, and its population the most diverse. New York is not just a city of office buildings and luxury housing. It is a city of dance and music, art and theater; a city of historic districts, gardens, and public parks; a city of churches and synagogues; a city of universities and libraries; a city of such diversity that one seldom need leave the city to see all that life has to offer. As the city plans its future, it must consciously retain and

The arts are central to New York's role as an incubator of ideas, styles, movements, and techniques that are exported and emulated worldwide. The city can hardly go wrong promoting the arts.

nurture the diversity that make this city far more than an agglomeration of buildings.

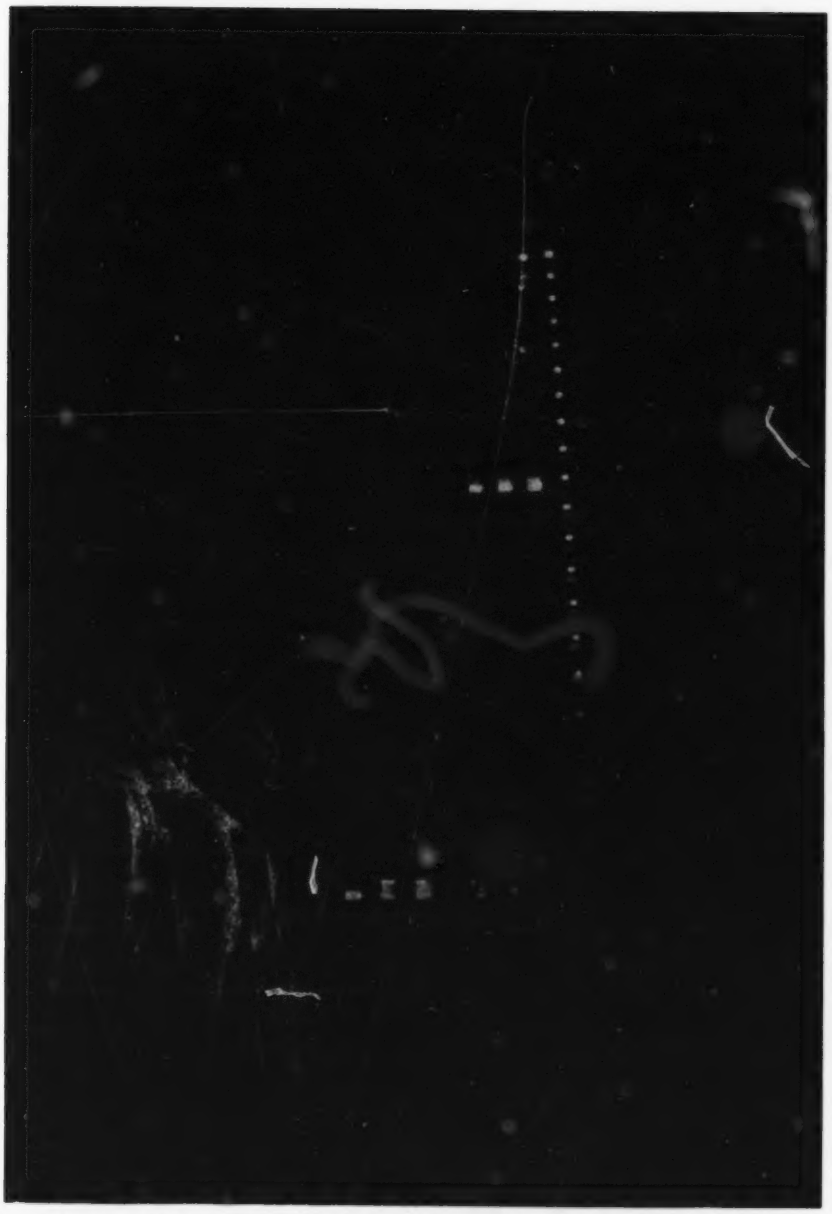
Make necessary capital improvements. From the time of New York's discovery as a fishing village by Dutch explorers, New York has recognized the importance of its location and physical assets and planned and built for its future. Many of the city's great capital structures immediately brought wealth and development in their wake. The city's roads, bridges, tunnels, sewers, and its network of facilities ranging from hospitals to parks are the capital plant that permits the city to flourish. That plant, deteriorating for decades, is now again being repaired. The city government has been remarkably successful in setting up a credible ten-year $46 billion capital plan and regaining the confidence of the bond market to finance the plan. In restoring its facilities, the city makes its most important direct contribution to the economy.

The plan is unique in the country for its comprehensiveness and vision. Combined with the MTA's plan for rebuilding the subways and the Port Authority's plans for modernizing the airports, much of the city's capital plant will be restored if the funding can be found. Beyond this basic rebuilding, the city will need to modernize some facilities for new uses, particularly in the areas of education, health care, and housing. In our view, the city needs two major capital additions. First, the city will sink beneath its 28,000 tons of garbage produced daily if it does not build the eight resource recovery plants it knows it needs by the end of the century. Second, the city has thrived for a century on the foresight of 19th century engineers who designed and acquired the

extensive water supply system from jurisdictions outside the city's boundaries. Today the system is straining under increased usage, and if the city is to avoid a parched 21st century, it must incorporate new sources in its capital plan.

Culture and the arts are a force that define New York. They should be encouraged as an industry. New York's arts are a major profit center for the region—a $5.6 billion industry providing 117,000 jobs. One-fifth of the audience of 64 million comes here from outside the region. The arts are central to New York's role as an incubator of ideas, styles, movements, and techniques that are exported and emulated worldwide. Unfortunately, artists and arts groups are almost by definition vulnerable financially. The city should develop every available mechanism to encourage as many institutions in culture and the arts as possible. At a minimum, the city government should support the display of paintings, murals, and sculptures by New York artists in all public buildings. Better still, in the tradition of the Works Project Administration whose legacy will benefit the nation for centuries to come, the city should launch a program to employ artists, musicians, dancers, and writers to restore city-owned landmarks, paintings, and sculptures; give public performances; enrich the school curriculum; write histories, guides and tours of the city; and, in general, put artists to work.

In the past when the real estate market was weaker, the city's neighborhoods were better able to incubate young artists and companies by offering inexpensive living, rehearsal, and performance space. Now the tremendous costs of working and living in New York may threaten the life of



Erich Hartmann/Magnum Photos

New York is not just a city of office buildings and luxury housing. It is a city of dance and music, art and theater; a city of historic districts, gardens, and public parks; a city of churches and synagogues; a city of universities and libraries. All of these thrive alongside one another. The juxtaposition of a Rodin sculpture set in a garden shaded by a skyscraper is a peculiarly New York vision.

the arts by driving away young and developing artists. The city should do all it can through tax abatements and the offer of government-owned property to ease this problem. The city can hardly go wrong promoting the arts.

Nor can the city go wrong promoting and supporting libraries, including the great research library, the New York Public Library, and the many branch libraries. For their neighborhoods, branch libraries provide a haven and central gathering place for those who wish to read and study in peaceful surroundings. Libraries have been a traditional and crucial means of upward mobility and self-education and their importance can hardly be exaggerated.

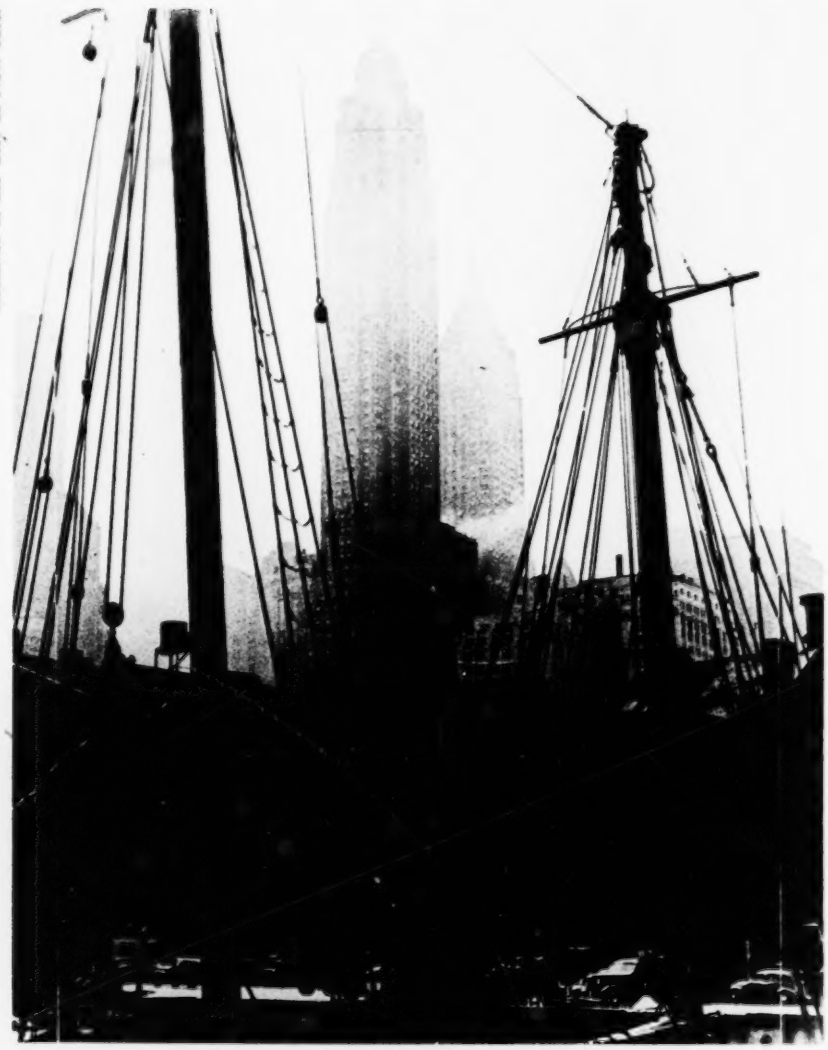
Develop and cultivate public spaces. Cosmopolitan nineteenth century New Yorkers looked at their city and concluded that it lacked something all great European cities have: great parks and gardens. In a surge of creativity, New York's extraordinary park system came into being through private donations and a few major public acquisitions. Today one could not imagine New York without its parks, which ease so many problems, including congestion, pollution, and noise. Yet since World War II almost no parks have been acquired, and fewer developed. As a result, many newly built or rehabilitated neighborhoods have no parks at all, or parks that are too faraway to be used habitually. In a surge of 20th century energy to match that of our ancestors, the city should plan for and provide parks wherever they are needed, encouraging private donations whenever possible, and matching such donations with resources of its own.

Develop the waterfront. Now is the time to implement one of the city's oldest dreams—that of a public waterfront unifying the five boroughs. The political forces are right, the economy is strong, and the land is there. For almost 100 years the waterfront has been closed to the people, a regrettable statement for the world's greatest island city. Opening the waterfront could symbolize a humanizing change in the city and be a powerful promise for the future.

Developing the waterfront means not only developing the famous Manhattan waterfront, but developing the boroughs, each of which has extensive waterfrontage. Altogether the city has 578 miles of waterfront, including 14 bays, seven rivers and straits, and the Long Island Sound. Much of the waterfront is underused or misused, and a byzantine set of local, state, and federal regulations impede development. Such regulations plus genuine disagreements about how the waterfront should be used have resulted in hundreds of miles of prime land lying fallow. The days in which the waterfront was exclusively tied to the port and to manufacturing are long gone. Its future will include traditional harbor uses, recreation, housing, and perhaps office space. Whatever is developed on the waterfront should be in keeping with the special character of the port and its heritage, and any maritime uses that can be preserved should be.

More than in any other area, the barren waterfront displays the need for a comprehensive plan. The waterfront is so important to New York City that a plan for the waterfront's future is a plan for the city's future. Most of the waterfront is owned by government entities—the city, the state, the

Archives of the City of New York



The maritime activity dates this waterfront picture to sometime before World War II, after which much active shipping and fishing ended in New York Harbor. One reason that the decay in New York's waterfront is so shocking is that it is so recent—and so thorough.

Port Authority of New York and New Jersey, and the federal government. While planning for the waterfront is complicated, land acquisition to implement the plan is far less

New York City is far more than its economy, but its strong economic base fuels the city's diversity and greatness in many fields, and attracts the young, the talented, and the ambitious.

difficult than planning for the city as a whole, with its hundreds of thousands of separate property owners. Implementation of the waterfront plan will require a simplified environmental review process, and an effective local authority to manage and help finance development.

Make strategic planning an ongoing function in managing the city. Despite its fine capital plan, the city now has no single entity dedicated to ongoing strategic planning to spot opportunities; project important social, technological, and economic trends; and evaluate changes in the trends identified by this Commission. Certain agencies do some strategic planning on some issues, but many very important issues cut across agency lines or are beyond the time horizons agencies set for themselves.

The city also lacks a single agency to oversee regional planning. While our emphasis in this report is on New York as a city, we view the city in the context of our region with which we are inextricably linked. The city's plan should aim to keep the region ascendant in relation to other regions, and the city itself ascendant within the region. Our regional resources in every sector are huge. The New York-New Jersey-Connecticut region not only shares an economic base and overlapping labor forces, but politically the region's Congressional delegations form one of the country's largest and most powerful coalitions—when the delegations act as a coalition. New York is a world city in part because it is the economic engine for one of the world's most important economic regions. A single office, the Office of Strategic Planning, should oversee long-range planning for the city

coordinated with analysis of the region. The office should be staffed by highly competent professionals, and would benefit by having an independent advisory group. Its first assignment should be the waterfront.

New York City is far more than its economy, but its strong economic base fuels the city's diversity and greatness in many fields, and attracts the young, the talented, and the ambitious. For many who have come here, the leap to success has been sure and fast; for others it has been slow and difficult. The city must make sure that its population is educated for the future. Overall the traditional channel upward, education, will become even more important as minimum qualifications for jobs increase. As minimum standards increase, the city's strong and growing economy will be able to absorb a few of those who do not quite meet the qualifications, but even the strongest economy will not be able to absorb large numbers of untrained or poorly educated workers. The city's challenge ahead is to do all that it can to help those who are currently outside the workforce become employable. They are our greatest concern as we look to the future.

III. WORKING TO REDUCE POVERTY AND DEPENDENCY

While the city's economy is stronger than it has been in decades, one-fourth of all New Yorkers—and two-fifths of New York's children—live in poverty. The poor are disproportionately the very young, disproportionately women, and disproportionately black and Hispanic. To break the cycle of poverty and to concentrate on those least likely to escape from poverty without special intervention, the Commission believes that government programs should be aimed at easing the transition from poverty to economic independence. The city's efforts should focus on poor female-headed families with children, and unemployed men who live alone. And because poverty tends to be neighborhood-based, government efforts should be targeted to poor neighborhoods.

Truly making a difference, however, will require a major restructuring of social service programs. Our proposals concentrate on (1) helping poor people move from welfare to work; (2) educating and training those who lack preparation for employment; (3) intervening early with support services to troubled families; and (4) strengthening those neighborhoods with high concentrations of poor people.

Like all great cities, New York has always had its poor, and for them, it has held a special promise—a promise that impoverished migrants who came here from other sections of the country or abroad could live the American dream. For those people who are not part of the dream, but who live within sight of it, life can be bitter indeed. Poverty is a problem for the city's future not only because it means that many human lives are unfulfilled, but because poverty tends to breed problems in many other areas, including housing, education and employment. In addition, crimes of

violence are disproportionately committed by and against the poor. Where there is urban poverty, there is likely also to be misery.

For the sake of all New Yorkers, as well as for the sake of the poor themselves, New York City must do all it can to prepare the poor to participate in the city's economic opportunities. The city's message to its poor must be that they, too, are part of our working society—that New York is the same city of opportunity for the poor that it is for the rich, that this city's opportunities are open to every class and race, that success can come through work, and that violence and dependency are not acceptable options. The promise of New York is the promise of opportunity, but with the promise comes the expectation that all New Yorkers will work to the best of their abilities for the betterment of themselves, their families, and their city. No message is more important for the future of New York.

The city's message to its poor must be that they, too, are part of our working society—that New York is the same city of opportunity for the poor that it is for the rich, that this city's opportunities are open to every class and race, that success can come through work, and that violence and dependency are not acceptable options.

Since New York's economy strengthened in the late 1970s, the city has seen a tremendous growth in jobs. Yet the number of poor and disaffected residents has also grown. The percentage of the city's population below the poverty line rose from only 15 percent in 1969 to almost 25 percent today. Thus while affluence seems to increase all around us and encompass all racial and ethnic groups, one-fourth of New Yorkers—and two-fifths of New York's children—live in poverty.

Poverty is accompanied by other distressing trends. Almost 15 percent of New Yorkers are on welfare, more than three times the rate in 1950. The poor are disproportionately the

New York City has always been a city of rich and poor. Yet earlier impoverished New Yorkers had something that many of today's poor lack: They had faith that their own work would pay off for themselves and their children, that their descendants would have a far better life.

very young, disproportionately women, and disproportionately black and Hispanic. In 1985, 39 percent of all children born in the city were born out of wedlock; the figure for non-white births exceeded 50 percent. More than one-fourth of the city's families are headed by women (compared to 15 percent nationally), and the number will continue to rise. Black and Hispanic families, whose numbers have been increasing, are three times more likely to be headed by women than are white families—and are at great risk of becoming and remaining poor.

By the year 2000, non-whites and Hispanics will account for about 60 percent of the city's population. (In 1980, whites accounted for 52 percent of the population; blacks, 24 percent; Hispanics, 20 percent; and Asians, 3 percent.) The city's racial composition has been changing since the end of World War II for the familiar reasons of white exodus to the suburbs, higher fertility rates of non-whites, and migration from the Southern United States as well as Latin America and Asia. For the future, the major cause for the decline in whites as a percentage of the population will be the projected difference in fertility rates between white and non-white women. Only 39 percent of white women in New York are in their childbearing years, compared with 50 percent of non-white women. While the fertility rate has been declining for all women for several years, it remains almost a third lower for whites than for non-whites.

What worries us in the city's changing demographics is that while the number of blacks and Hispanics entering the middle-class continues to increase, unemployment as well as persistent poverty and dependency remain far higher among

non-whites than whites. Unemployment rates for black and Hispanic males are twice that of white males; dropout rates for black and Hispanic students are 50 percent higher than for whites; and the mother-headed non-white household will on the average have a family income around a quarter of that of a two-parent family. Poverty in our city is distressingly concentrated among non-whites and households headed by women.

A CITY OF RICH AND POOR

New York's poverty is not new. It has always been a city of rich and poor. In the early twentieth century, the city was not only poor, the objective conditions under which the poor lived—their housing, nutrition, and health care—were even harsher than today. They often lived in squalid, disease-ridden neighborhoods, with few public services to relieve their misery.

Yet earlier impoverished New Yorkers had something that many of today's poor lack: They had faith that their own work would pay off for themselves and their children, that their descendants would have a better life. Their poverty was a temporary condition, not a way of life. Their faith in the future was buttressed by all they saw, including the upward mobility of their children. The road to advancement was difficult, but visible and heavily travelled by others.

Earlier immigrants were supported by institutions that have been weakened in recent years. The family itself, as well as churches, synagogues, settlement houses, unions and politi-

cal clubs, provided support in times of trouble as well as links between the very poor and the more fortunate members of society. Most important, the city's political agenda

Bruce Davidson/Magnum Photos

Poverty is very much a presence in New York, holding a quarter of New York residents and 40 percent of New York children in its thrall. Far too many children are growing up without the emotional or economic support that most of us regard as every child's birthright. Yet if the city is to flourish in the future, it must make the proper investment in its children today.

reflected the interests of the poor, and its political leaders consistently put forward candidates who would press those interests in programs and policies.

While earlier immigrant neighborhoods had work available nearby, today's poor live in neighborhoods segregated by class with few connections to jobs or other opportunities. Their neighborhoods are disfigured by abandoned buildings and businesses, and they have little faith in their future. Many are dependent on government assistance, and are unemployed for long periods of time. A city that was accustomed to viewing poverty as a phase in assimilation to the larger society, now sees a seemingly rigid cycle of poverty and a permanent underclass divorced from the rest of society. For too many people, the welfare check has evolved from a temporary support in hard times to a permanent way of life—and a symbol of society's failure to educate and employ its citizens.

To have a real impact on the extent and nature of poverty, we need a realistic sense of what the city can and cannot do. It cannot redistribute income, but it can develop strategies for dealing with the long-term dependency of able-bodied citizens. Dependency is not good for society, but it is also not good for the welfare recipient.

The city, however, is not free to reform welfare as it chooses. Indeed, in many ways, the city is forced into a passive role with programs that are mandated by the federal and state governments, and largely paid for by them as well. If the city were to start over today with the $5 billion or so spent annually on social programs, it would structure

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many of those programs very differently. (The city would certainly not choose to spend $24,000 annually per family to rent shabby rooms in welfare hotels.) The Commission would give far more thought to (1) helping people move from welfare to work; (2) educating and training those who lack preparation for today's jobs; and (3) intervening early with support services to troubled families. In working within intergovernmental mandates, the city should first decide what it believes should be done, and then bring other levels of government around to these views.

A CITY OF FAMILIES

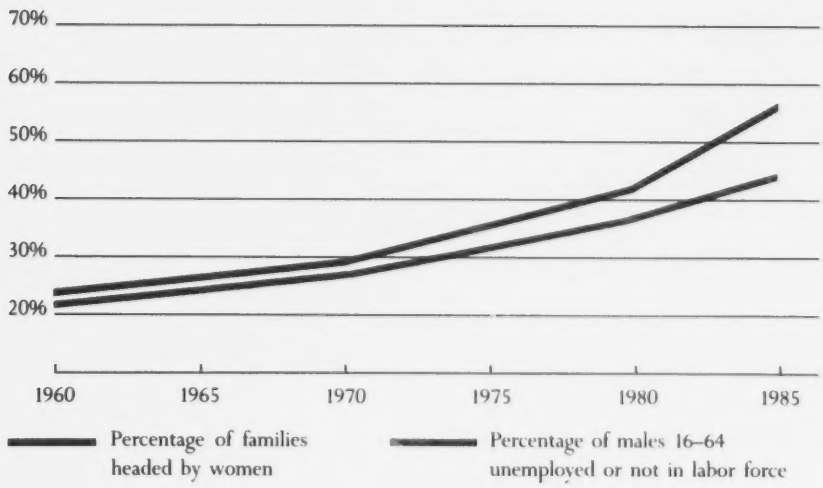
For the 40 percent of children who live in poverty, the city faces an enormous challenge that it can best meet by promoting the stability and well-being of the most important institution in a child's life—the family. Yet demographic data tell a discouraging story about the future of families.

Single-parent families, which make up 38 percent of the households with children, tend to be poorer than other families: 60 percent live in poverty, and 90 percent are headed by women. We expect a continued increase in single-parent families, but at less than the 47 percent increase of the 1970s. (Out-of-wedlock births here now account for 39 percent of all births, and 53 percent of nonwhite births.) Unless the city intervenes with successful social programs, such families will be about 15 percent of all households in the city by 2000.

Impoverished mothers have often had their first child as teenagers, and many are themselves the daughters of teenage mothers. Teenage mothers tend to go onto welfare and stay there for long periods of time. While almost half the women who are admitted to AFDC leave within two years, non-white unmarried high school dropouts average ten years on AFDC. In New York State, 60 percent of welfare costs are accounted for by the families of women who become mothers in their teenage years. Early intervention programs should begin with young mothers and their children. It is here that the cycle of poverty can be broken.

Impoverished single males, who have had little or no conventional work experience, should be a second major target of social service policies. Indeed, there is a distressing sym-

Figure 5. BLACK AND HISPANIC MALE EMPLOYMENT AND FAMILY STRUCTURE 1960–1985



SOURCE: U.S. Census of Population; Current Population Survey

metry between male joblessness and female headed-households among blacks and Hispanics: The rise in the proportion of black and Hispanic males either unemployed or not in the labor force has consistently been matched by the rise in the proportion of non-white families headed by women (Figure 5). While only 17 percent of white families with children are headed by women, 51 percent of black and 44 percent of Hispanic families are headed by women.

The city must do what it can to discourage teenagers from becoming pregnant, and it should redouble its efforts to discourage unmarried teenage mothers from becoming pregnant again. The very disturbing phenomenon called the feminization of poverty is a direct outcome of the disaffiliation of minority males. The city will need strategies to address the problems of both poor female families with children and disaffiliated minority males. The mothers in female-headed households frequently become mothers as teenagers, setting themselves on a course of poverty and dependence. Too often, teenagers become pregnant from a lack of self-esteem and in search of love and affection that they feel is missing from their lives. Yet all too often pregnancy condemns the teenage parents and their children to a lifetime of poverty and unemployment. Teenage parents are about half as likely to graduate from high school as other children. More than 70 percent of teenage mothers are on welfare within 18 months of giving birth. Their income is half that of mothers who waited until their twenties to have children. Teenagers are 15 percent more likely than older mothers to develop toxemia, 92 percent more likely to develop anemia, and 23 percent more likely to experience complications at birth.

Infants born to adolescent mothers are twice as likely to die in their first years as the children of mothers in their twenties.

The percentage of teenage girls who become pregnant and bear children is far higher in the United States than in other Western countries. What accounts for the difference is in part the higher level of public concern about teenage pregnancy in those countries. This concern has resulted in widespread sex education in the schools (including a special effort to educate males about their responsibilities) and access to free birth control. Recent studies of such programs in public schools in American cities show they have been somewhat successful in delaying sexual activity, discouraging pregnancies, and encouraging the use of birth control.

The city's attempts to reduce the rate of teenage pregnancy have also been moderately successful. The proportion of non-white teenagers giving birth here declined during the 1970s, and declined more than in the nation as a whole. Nonetheless, we dare not be too hopeful. The city still has the third highest level of early adolescent childbearing in the developed world. Today the average New York adolescent seeks information about birth control fourteen months after his or her first sexual experience. This is of course far too late. Indeed, half of all first pregnancies to adolescent girls occur within six months of their first sexual experience. Because many teenage pregnancies occur from ignorance, the city must provide family planning and reproductive education, counseling and health services in a variety of settings. These services should be available to children and their families regardless of ability to pay, and they

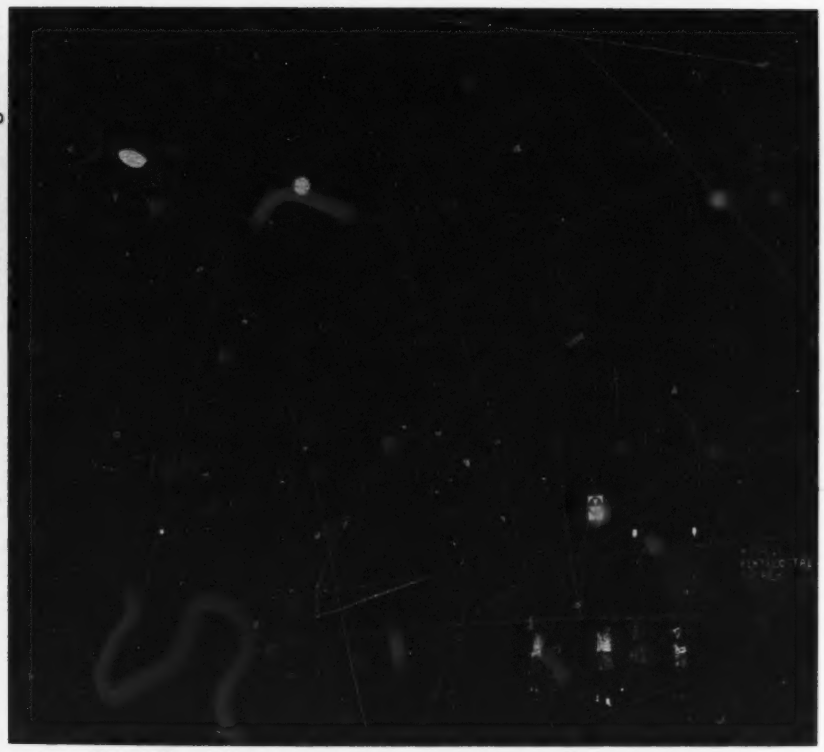
True case work of the kind originated by settlement houses has almost disappeared in New York's public sector. Most city social workers must spend their time as detectives and paper-shufflers, determining eligibility for welfare, rather than as case workers, aiding and helping their clients.

should be confidential. In particular, great emphasis should be placed on educating males about their responsibilities and the consequences of their sexual activity.

Because even the most effective efforts to reduce teenage pregnancy will lessen but not eliminate the problem, better ways must be found to allow teenage mothers to complete their education and find employment. This will not be easy. Over 20 percent of teenage mothers become pregnant again within a year, and 50 percent within two years. We must do all that can be done to prevent a pattern of long-term dependency from forming. The research on teenage mothers shows that the well-being of both mother and child is greater if the mother remains in school and continues to live in her parental home. Both school and social welfare policy should be oriented towards (1) encouraging the teenage mother to remain in the parental home; (2) removing any barriers to the mother's remaining in or returning to school; and (3) encouraging employment opportunities.

Troubled families would be better served by a highly personalized early intervention system in which each family would be assigned a case worker who would be there to provide support services as soon as needed. This will require a reshaping of the city's social services system. True case work of the kind originated by settlement houses has almost disappeared in New York's public sector, and most city social workers must spend their time as detectives and paper-shufflers, determining eligibility for welfare, rather than as case workers, aiding and helping their clients. Case workers are now assigned to

Bruce Davidson/Magnum Photos



Poverty is the great discriminator in our society, striking particularly at children, unwed mothers, the elderly, and unattached men. Today's poverty too often undermines the family, which is the basic unit for stability and support in our society.

help families only after a crisis has occurred, usually a crisis public enough to alert neighbors or teachers.

We agree with the Beattie Commission's *Outline for Action,* which urges the city to implement case management of social services. The case manager would act as the client's advocate, and would be empowered to authorize and monitor the delivery of all services, including child care, teenage pregnancy counseling, homemaker aid, and general preventive services. In addition we urge the city to make

every effort to work with non-profit groups, such as settlement houses, to recreate highly personalized services. Schools and health-care institutions are often in a good position to intervene early when a family needs help, but have no way to fund sustained services. In conjunction with the federal and state governments, the city should develop funding mechanisms to enable schools and health-care programs to provide social work services to families.

Because welfare mothers without education, training, or work experience are unlikely to become employed successfully without help, programs to train and employ them should have the highest priority. Such programs will probably have the largest eventual payoffs in helping them and their children become productive members of society. The Manpower Demonstration Research Corporation recently concluded that women who had never worked and had been on AFDC the longest were among the most successful participants in an MDRC supported-work program. ("Supported work" is a concept by which people who lack the necessary skills to find and keep regular jobs are placed for training with a private employer. To encourage the employer to participate, the trainees' salaries are subsidized through tax credits, direct payments, or diversion of the worker's welfare funds.) Supported-work is considered to have attained its goal if the employer hires the trainee at the end of the period of subsidization. While supported work presents many structural difficulties, it is so much the right direction that it should be given every chance to succeed.

All AFDC mothers should be required either to work or enroll in high school or in a general equivalency diploma preparation or job training program. Young, single, uneducated black and Hispanic women who begin AFDC when their child is under three years old have the longest spells on welfare. With no education or work experience, they have little means of getting off welfare. Teenage mothers who have children under six should be required to remain in school or in a program for an equivalency degree until they receive the diploma. This is a helpful not a punitive measure, and the city must provide the support services that will make this effort work. The Board of Education will have to establish child-care facilities in the high schools so that young mothers whose parents cannot care for their babies during school hours will be able to bring their babies to school. The Board's Life Centers have proved an excellent means of socializing young children while providing them with good nutrition and health care.

If a large proportion of the city's children grow up in single-parent families supported by public assistance and living in segregated and crime-ridden neighborhoods, their prospects for happy, productive lives will be low.

Crises that occur in the first year off welfare can precipitate a return. Because the transition from home to work can be difficult, supported work and other transitional programs should include case-managed social work assistance in devising a livable family budget and adequate child care with follow-up visits by the social worker during the first year to make sure that she and her family have adjusted to working life.

Special programs should be directed towards young, unemployed males. Parallel to the feminization of poverty is another trend: The city has fewer young black and Hispanic men in the age groups most responsible for

forming families. For every 100 black women aged 20 to 24, there are only 78 black men; by age 40, there are only 76 men. For every 100 Hispanic women aged 20 to 24 there are 79 men. No gender gap exists for whites until age 45, when the greater life expectancy for women comes into play. The gender gap for blacks and Hispanics is due to such varied causes as their higher participation rate in the armed forces as well as higher rates for homelessness, mortality, and incarceration. Perhaps the most shocking figure is that homicide is the cause of 41 percent of deaths among non-white males aged 15 to 24, and 22 percent of deaths among those aged 25 to 44.

A mere one-tenth of one percent of the 22 million new workers added nationwide between 1970 and 1983 were black teenagers. The situation is similarly grim here. Not only has New York's economic recovery seen no reduction in the high rates of joblessness among minority youth and minority males, the disparity in employment levels between young white and young minority males has widened. These ominous data are appearing at a time when the nature of much of the country's and the city's work is changing from work traditionally seen as masculine to work traditionally seen as feminine. At the same time, women are entering and remaining in the workforce in large numbers. The doors of employment opportunity are shutting closed on minority males just as they try to enter.

While private-sector jobs will have to be the principal source of employment in the long run, government can and must play an active role as employer, trainer, and placement counselor to link men with permanent jobs. It can do this

in part by reorganizing and coordinating its education, hiring, contracting, economic development, and training policies. In addition, as the largest single employer in the city, the city government must increase its efforts to attract and train low-income males for government jobs. The city should develop programs to reach young men at the high- and middle-school levels, and develop specific career paths to lead to city jobs on graduation. In particular, as the city rebuilds its capital plant, both city agencies and private contractors will need to employ thousands of workers over the next decade. The city should use this opportunity to gain union cooperation in bringing poor New Yorkers into the construction trades in large numbers. Similarly, the city has substantial leverage with private developers seeking to build offices and housing here. It should particularly encourage builders who receive subsidies or other aid to hire and train the poor. It would be scandalous for the city to permit large numbers of men to remain outside the labor force even as an artificial labor shortage inhibits the reconstruction and redevelopment of New York.

Today Model Cities is generally regarded as a misguided failure. Failure it was; misguided it was not. The city should resurrect the Model Cities idea of concentrating excellent services coordinated by a strong manager in the most distressed neighborhoods.

Because so much poverty is concentrated in neighborhoods, assaults on poverty must also be concentrated in neighborhoods. The problems of the underclass (characterized by high rates of poverty, dependence on public assistance, infant mortality, out-of-wedlock birth, unemployment, criminal activity and victimization, and low education) are concentrated in several neighborhoods—the South Bronx, central Brooklyn, Central Harlem, and East Harlem (Figure 6). These neighborhoods have also experienced dramatic drops in population since 1970. As has been noted many times, the poor tend to react to the same

Figure 6. POVERTY IN SELECTED NEW YORK CITY NEIGHBORHOODS

Percent 10 20 30 40 50 60 70 80
POVERTY (1980)
UNEMPLOYMENT (1980)
INFANT MORTALITY PER 1000 BIRTHS (1985)
POPULATION LOSS (1970–80)
POPULATION RECEIVING PUBLIC ASSISTANCE (1980)
NON-HIGH SCHOOL GRADUATES (1980)
BIRTHS TO SINGLE MOTHERS (1985)
Percent 10 20 30 40 50 60 70 80
South Bronx
North Central Brooklyn
Central Harlem
East Harlem
Rest of City

SOURCE: Department of City Planning, Department of Health

market forces as the middle-class. When their neighborhoods deteriorate, denying them opportunities for advancement and decent lives, they move elsewhere.

The extraordinary deterioration of some neighborhoods has meant that unlike the 19th century's poor, today's poor have little opportunity to find work in their own neighborhoods. In the past, poor New Yorkers found their way out of poverty by (1) securing jobs in a rapidly expanding local economy; (2) migrating to other sections of the country when jobs in New York were scarce; (3) starting or working in neighborhood businesses serving their own ethnic group; and (4) using contacts with union members and other employed friends and neighbors. Highly deteriorated neighborhoods produce few legitimate jobs, business opportunities, or even contacts with stably employed people, so that those seeking employment must travel elsewhere.

Neighborhood preservation is an area in which the city can and should intervene. Neighborhood decline tends to go hand-in-hand with a decline in city services, with one force accelerating the deterioration of the other. Quite suddenly a neighborhood can turn dangerous and filthy; its capital plant decay; its schools and hospitals abandoned by all but those who have no choice. Recognition of the connection between neighborhood strength and good basic services was behind programs such as Model Cities in the 1960s. Today Model Cities is generally regarded as a misguided failure. Failure it was; misguided it was not. The idea of concentrating excellent services—police, fire, sanitation, education, housing, transportation—and of coordinating those services under the leadership of a strong manager based in the neigh-

borhood but supported by City Hall is an excellent idea, and should be tried in the four most distressed neighborhoods. The local manager must be senior enough to command the respect of agency commissioners and be empowered to make agencies work together.

As in welfare policy, government attempts to strengthen neighborhoods and communities have fallen far short of their lofty goals. In contrast to failed central programs, the flourishing of extraordinary schools, community gardens, effective block associations, safe and clean streets, heavily used parks, and well-maintained housing in poor neighborhoods demonstrate what is possible when resources are adequate and the neighborhood and government work together. It is the city government's responsibility to make sure that it provides excellent services to poor neighborhoods, that it helps rather than hinders their struggle out of poverty. That struggle is tough enough without being hampered by services that leave a neighborhood mired in dirt, decay, and crime.

Welfare programs were established to help the weak and the disadvantaged. For the most part, the circumstances that require government help are temporary—a sudden illness, unexpected unemployment, or hard times. Temporary help must always be available for those who need assistance to bridge a problem, and permanent help must be available for those who are permanently disabled or infirm. Our concern here has been primarily with those New Yorkers who are young, able-bodied, and potentially productive who, with proper support and training, will be able to

participate fully in this city's opportunities. For them, the city must provide services that prevent long-term dependency. It is the government's obligation to make sure that opportunities are available without discrimination, and it is the citizen's obligation to make the most of those opportunities.

We have been particularly concerned with children. If a large proportion of the city's children grow up in single-parent families supported by public assistance and living in segregated and crime-ridden neighborhoods, their prospects for happy, productive lives will be low. The fate of far too many children is sealed long before they reach adulthood. While the city budget allocates a great deal of money to combat poverty, it spends all too little on case management. Yet without case management the city has no means for systematically monitoring and correcting the devastating effects of poverty on children. The city's children are its future, and if their future is grim, the city's future is grim as well. Every New York child is entitled to a chance at the full and productive life offered by this city. Education is the indispensable element on the path to that life.

IV. EDUCATING NEW YORK'S CHILDREN FOR THE FUTURE

Nearly 90 percent of the jobs to be added to the economy between now and the year 2000 will require a high school diploma. Yet only two-thirds of the city's students graduate from high school—and many of those who do are unprepared for life and employment. To everyone who comes to New York seeking a better life, the city owes the chance to succeed. To restore the public education system to its former greatness and to provide the best educational opportunities to the most students, the system's governance must be restructured to serve the needs of the classroom. Students, teachers, and principals should be able to choose their schools whenever possible. High standards and a traditional core curriculum should be required of all students, and principals and teachers must be given the professional independence they need to educate their students. With professionalism should come accountability.

Education is at the core of our lives and our society. It must be fully integrated into the life of the city. Each school should be clean, well-maintained, and welcoming. The school should be seen as the center of the community—the neighborhood's most important gathering place—and the responsibility of not just parents and teachers but all New Yorkers. Education is one of the limited number of areas in which we believe the city and state will have to increase funding for both operating and capital budgets.

New York's public school system was once the premier urban school system in the world. The schools took immigrants as well as the native-born and prepared them for life and w rk in America. Many of the country's most prominent people in every field—science and medicine, art, theater, music and dance, academia, literature, finance, govern-

ment—have been graduates of this city's public schools. The school system produced such graduates before, and it is our challenge to construct a system that can do so again.

Today the system has many dedicated personnel and a few superb schools surviving in a deteriorated system that fails to equip a shockingly large proportion of the students who enter it for the world in which they will live. Indeed, one out of three students make their assessment of the system very clear by dropping out. Presiding over the schools is a cumbersome and bureaucratic central administration.

The goal for the year 2000 is to return the system to its former greatness, when a New York City public high school diploma was a badge of achievement respected throughout the country.

The goal for the year 2000 is to return the system to its former greatness, when a New York City public high school diploma was a badge of achievement respected throughout the country. This means the school system must become rigorous in its demands on students and, in return for the students' time and efforts, must offer its graduates the best possible preparation for the competitive and unpredictable world that lies ahead. The system must inspire in all its schools the pride in performance that is necessary to superb schooling. The promise of education is the promise of a full life. That promise must once again be filled.

In today's emerging post-industrial society, human dignity and basic self-respect require literacy, and the knowledge and skills that accompany literacy. Even low-level jobs demand the ability to read and write and do simple arithmetic tasks. A school dropout—with the inabilities and inconstancy that dropping out suggests—has few prospects for success in life. Dropouts are unlikely to make a significant contribution to society, unlikely to earn the social respect

The school system's ability to educate its students is the only true criterion for measuring its success.

of their community, and unlikely to control their own destiny or that of their children. Even today, with some unskilled jobs still available, the unemployment rate for under-24 year olds who have not completed high school is more than twice that of graduates. Yet approximately one out of three of the city's high school students leaves before graduation.

Schools once saw their main function as the introduction of children to society, helping them to develop the self-discipline that characterizes independent adults. In recent years, many schools have shunned responsibility for socializing youngsters. Yet it is increasingly this discipline that employers require of employees. If children are not taught to be on time, to listen attentively, to follow directions carefully, and to complete assigned tasks in school, then they seldom acquire such skills at all and enter the job market unprepared for its discipline.

Those entering the job market between now and 2000 should face a favorable labor market—a labor market able to employ all properly prepared entrants—and the schools must do whatever is in their power to help their students meet that market successfully. If young New Yorkers are not qualified for employment, businesses will find other means of getting the work done, whether it be by relocating, hiring more workers from outside the city to commute to jobs here, or eliminating certain kinds of jobs. And if young New Yorkers remain unemployed even in this unusually open labor market, they will begin their adult lives in poverty from which they may not escape.

REORGANIZE THE STRUCTURE

The school system's ability to educate its students is the only true criterion for measuring its success. Students and teachers need the system to provide them with an environment that promotes learning. This means a system that promotes accountability, accepts change, replicates success, and corrects failures, a system that rewards excellence among its teachers and principals, and penalizes failure. In addition, the central administration must see its role not as detached from what happens in schools but instead as serving the needs of the student and the classroom. Those needs are clear enough: Students need adequate and clean classroom space; they and their teachers need to be given supplies and texts on time and in the correct amounts; they need safe and well-maintained buildings; they need to be transported to and from school safely and efficiently. The Commission urges the city and the Board of Education to revamp the school system by taking several measures.

Change the system's governance. The method by which the Board of Education is appointed has resulted in a less than effective and overly parochial board. We cannot raise our standards for students and teachers without also raising our standards for the Board. Board members should be appointed by the Mayor based on recommendations from a screening panel. They should serve part-time and with very limited remuneration. Their primary responsibility should be to set overall policy and long-term goals while providing a continuity of vision.

To whatever extent possible, principals, teachers, parents, and students should be able to choose their schools.

During the 20th century, the city's public education system has moved back and forth between centralization and decentralization—without any apparent association between its organization and its success. The current decentralized system has failed to do what it set out to do: involve families and communities in the education of their children. As a first step, the organization of the system should be re-examined. Because the Board of Education and the Chancellor are ultimately responsible for the school system, they should take the lead with the Mayor's office, the Governor's office, and the state legislature in directing a thorough and detailed review of decentralization. Given the administrative costs of both a large central board and 32 community school districts, savings could be generated by a streamlined reorganization. Much more important, a revised governing structure can help create a climate for change, for a new professionalism, for a renewed concern for the students and the classroom. The aim should not be to re-centralize the system, but to create a structure that makes education the central goal and the school the central focus.

A major failure of the school system has been its inability to take programs that have succeeded at one school and put them into effect at others. A revised system of governance must correct this. As the chief operating officer of the school system, the Chancellor must be able to compel unsuccessful schools to try recommended programs and techniques for improving student performance—or be able to close and reorganize the school if necessary. The Chancellor's Office must develop the capacity to evaluate new programs and policies, both from within the system and from other cities. To perform this function, the Board will need

ongoing evaluation of the system's performance. To that end, the Board should establish a small professional office to provide independent evaluation of the performance of specific schools, divisions, contractors, programs and policies. Its information and analysis should not be filtered through the operating heads of the system.

A major failure of the school system has been its inability to take programs that have succeeded at one school and put them into effect at others.

Hold principals accountable for their schools. By their leadership, principals set the tone and aspirations of their schools. They are responsible for the achievements of students put in their charge, and many of our proposed reforms will give them even more direct responsibility.

For the system to function effectively, the caliber of principals must be very high. Current exams should be reanalyzed, and the pool from which principals are chosen should be opened up to managers from other fields, including business, higher education, and government. While actively recruiting outside managers to the principal pool, the Board should provide access to executive training programs to talented people within the system.

The schools themselves should be more of a locus of authority than they have been in the recent past. To whatever extent possible, principals, teachers, parents, and students should be able to choose their schools, ending many of the forced assignment patterns now prevalent throughout the system. In such an environment, principals, in cooperation with teachers, should participate in curriculum choices and choose teachers and administrators. To hold principals accountable, however, we must make sure that principals are up to the task. Principals should be evaluated regularly

against standards based on student achievement and performance. To ensure that the evaluations are more than mere exercises, principals should be given relatively short-term contracts, which at expiration could be renewed or terminated depending on performance. Schools whose students do well in evaluations would be given additional resources and more control of those resources; those that do poorly could well have their principals demoted or dismissed.

RESHAPE EDUCATION

While organizational structure is crucial to a system as large and complex as this one, the structure exists only to serve education. It has no importance in itself, and matters only insofar as it helps or hinders education. What counts ultimately is what happens in the classroom, and what happens to youngsters entrusted to the system's care. We urge that education itself be fundamentally reshaped.

Strengthen the professional independence, responsibility and accountability of teachers. Our schools are now run like factories. Teachers must punch in (New York's is virtually the only school system in the country that still uses time-clocks), and the teacher is then sent off to the classroom to do what is essentially piece work. We need a professional model, not the factory model, for establishing qualifications and procedures for teaching. Teachers must be treated like professionals, held to high professional standards, and rewarded accordingly. While autonomy and involvement in decision-making are basic characteristics of any profession, teachers have neither. Teachers have little

discretion over curriculum, and teaching materials; they have few collegial contacts outside their school; and they control very little about their basic working conditions.

We need a professional model, not the factory model, for establishing qualifications and procedures for teaching.

We are particularly worried about the difficulty of attracting excellent young teachers to replace the large number of highly qualified older teachers who will be eligible to retire over the next ten years. Professionals will have to be attracted to teaching from other careers. The recently negotiated increase in starting salaries has already made this easier, but salary increases (and more are needed) are only a first step. Just as important is the professional environment that should accompany the recognition of teaching as a profession. Teachers acting collegially should have far more autonomy over their texts and teaching materials. Rather than adhering to the Board's traditional and rigid system of providing detailed, mandatory teaching materials, we should experiment with the Japanese system, which distributes a small book of curricular guidelines. Japanese teachers are told explicity what their students must know at the end of the year and are then left free to determine how to teach the required information. This strategy permits the creativity of teachers to flourish while promulgating a set of standards that must be met.

As important as the professional environment is the physical environment. Classrooms and preparation areas should be clean, pleasant, and welcoming. The schools must be safe. The classroom door locked to protect students from violence is one of the most vivid symbols of the city's deteriorating environment. The major reward of teaching has traditionally been the satisfaction that comes from helping

Board of Education

The promise of New York is the promise of opportunity, but with the promise comes the expectation that all New Yorkers will work to the best of their abilities for the betterment of themselves, their families, and their city. Education is the surest route to upward mobility and a better life.

children grow and learn. Too many of the city's teachers are denied such satisfaction by being forced to teach in dangerous schools in which their main function is maintaining order, not imparting knowledge. It is the central administration's responsibility to create an environment in which teachers can successfully teach, and children successfully learn. Without a good environment for learning, most other reforms are pointless.

Hold teachers professionally accountable through a system of rewards and sanctions. The current system is so skewed against teaching as a profession that it rewards teachers for *leaving* teaching, and punishes them for staying.

Under the present structure, a teacher reaches maximum pay after 15 years, and can only be promoted by moving to an administrative post. The Board of Education could hardly be clearer in stating its priorities—administrative duties are more important than classroom duties.

Like other professionals, teachers should be given opportunities for professional growth followed by increased responsibility to match increased competence. Most professions have hierarchical structures in which highly seasoned professionals oversee the work of their more junior colleagues, showing them how to convert theory into practice. As new entrants master their profession's body of knowledge, they are promoted to higher and predictable levels. Rewards and privileges should accompany professional achievement, yet young teachers see few rewards ahead, and few opportunities for promotion unless they choose to leave the classroom and become administrators. To provide more review by peers and encourage excellent teachers to remain in teaching, the Board should establish a structure by which teachers can move up a professional ladder, with each level accompanied by a range of rewards and incentives, such as a category of "mentor teachers," who would be given higher pay and privileges. Teachers should be given as many opportunities as possible to share professional knowledge and experience with colleagues.

The Board should also establish and administer a competitively awarded scholarship fund open to all teachers in the city. The scholarship would be used to pursue advanced courses or degrees in areas of chosen interest that will enhance the teacher's excellence. The award of the scholar-

The lowering of the standards that students must meet to be promoted and the relaxation of requirements in reading and writing have had a pernicious effect on education. The schools should have a traditional core curriculum to be followed by all students.

ship should be treated as an honor and recognition of superior ability.

Just as lawyers and doctors use aides such as para-legals and para-medics for many tasks, so the school system should use administrative assistants in school offices for most paperwork, housekeeping, and administrative functions to free teachers for teaching and preparation. The school's atmosphere should enhance the importance of teaching rather than obstructing it with administrative and other non-teaching tasks. Freeing up the time of teachers will not only benefit teachers themselves but benefit students and their families as well. Teachers will be able to counsel students and confer with parents.

Re-establish high standards. The lowering of the standards that students must meet to be promoted and the relaxation of requirements in reading and writing have had a pernicious effect on education over the past few decades. We agree with the National Commission on Excellence in Education that "secondary school curricula have been homogenized, diluted and diffused to the point that they no longer have a central purpose." The city's schools should have a traditional core curriculum for all students.

New York State's response has been the Regents' Action Plan, which over the next nine years will gradually impose stricter standards for students from pre-kindergarten through high school. While these tougher standards are necessary, we would be wary of imposing a too-rigid application of certain aspects of the plan, enforcing the letter

of the law at the expense of the spirit. Appropriate means to the same ends may be different in different districts with students from different backgrounds.

As standards at every level are raised, the Board of Education should raise its standards for high school graduation to meet the City University's entrance requirements. Any holder of a city high school diploma should be capable of entering college as a matriculating freshman. The City University has had to invest enormous resources in remedial training—remediation that would be more appropriately accomplished in lower grades.

Emphasize early education. Education is a field of many competing theories and few undisputed truths. Yet nearly everyone agrees that proper education in the early years is vital. A child begins learning about the world at birth, and much of what he learns is learned at home from his parents. Providing education not only for all four-year olds but for three-year olds as well (through Head Start, day care programs, and the school system) should be a priority. Simply providing education, however, is not enough. Parental involvement is crucial, as the Ypsilanti study and recent Head Start evaluations make clear.

Some parents will need help carrying out their role in their child's education. Adult literacy courses should be expanded to accommodate all who wish to take them—no one should be turned away—and special efforts must be made to encourage parents of young children to enroll. A program should be developed cooperatively by schools, libraries, and

While many government services can be delivered in relatively isolated settings, education is not among them. Education is at the very core of our lives and our society. It must be as fully integrated as possible into the life of the city.

voluntary organizations to teach parents how they can help their children's education. The program should be started in neighborhoods where academic achievement is low.

As the number of single-parent families and working mothers increases, the shortage of child-care facilities will continue. The schools should take a strong lead in educating those three-and four-year olds who might otherwise enter kindergarten at a disadvantage. They should model their programs on Head Start, a recognized success that began in New York before becoming a national program. Because the schools should be making every effort to help teenage mothers finish their education, schools have an excellent opportunity for setting very young children on the course to good education while aiding teenage mothers.

Reduce class size and school size whenever possible. An important factor in the quality of education is class size. Unfortunately, the city's class sizes average 20-40 percent larger than in the rest of the state. With city and state support, the Board of Education has recently been able to reduce class size to 25 students in first grade and to 35 in high school. In the 1986 school year, the Board reduced second-grade class size to 25 from 35. Until the resources are available to reduce class size dramatically in all grades, we recommend making the largest reductions in class size for the youngest pupils, and more limited reductions in other grades.

School size is also important. Smaller schools promote greater involvement with the school on the part of students, teachers, and parents. Large schools came into favor be-

cause their size permitted an array of elective courses, but small schools tend to be safer and better attended. For school districts with affluent students, the benefits of large schools may outweigh the drawbacks; but for schools with high dropout rates and poor academic performance, the small school can provide a better environment for learning.

As the city's ten-year capital plan for school construction is developed, smaller school size should be emphasized. In the meantime, the fastest and cheapest way of reducing size is to divide existing large schools into "schools within a

Carolyn George

Arts are at the very heart of the city, and should be at the heart of the schools. As the world capital of the arts, New York City has the resources to offer every school child the kind of experience provided by Jacques D'Amboise's National Dance Institute, which has brought joy and training in the performing arts to thousands of the school children. This model should be replicated in all arts and every school in New York.

school." Such schools would share a building divided into separate wings with little passage between the wings. Each school would have its own faculty and administration.

Elementary schools are usually the smallest in the system. Their basic classroom unit helps pupils feel part of a fairly small group. When children enter middle schools, they face a new form of organization with different classes for different subjects. Combined with the other pressures of adolescence, this experience in a large school can make some pupils feel adrift. In a small school, teachers and administrators can more easily spot this and help the student.

Of the city's 179 middle schools, 83 had enrollments over 1,000 in 1985. These large middle-level schools, which serve children entering a particularly difficult stage in life, should be the first to be converted to smaller schools, along with academically troubled, zoned, comprehensive high schools, which tend to have by far the highest dropout rates. Indeed, the whole role of middle schools must be rethought.

USE THE COMMUNITY

While many government services can be delivered in relatively isolated settings, education is not among them. Education is at the core of our lives and our society. It must be as fully integrated as possible into the life of the city.

Make the school the center of the community. As an institution that is centrally located, equipped with recrea-

tional and cultural facilities, and of direct interest to large numbers of people in a neighborhood, the school is potentially the most important gathering site in any community. It should be used to bring a neighborhood together. Instead, current policies restrict rather than encourage the use of school buildings. The recently negotiated agreement between the Board of Education and the custodians' union allows schools to be open during the summer and from 3:00-6:00 p.m. on weekdays. Such partial openings are inadequate. School buildings should be used on evenings and weekends. At a minimum they should be used for direct educational purposes, such as adult literacy programs, which will become increasingly important as immigration from non-English speaking countries continues to grow.

The classroom door locked to protect students from violence is one of the most vivid symbols of the city's deteriorating environment.

Education should not be narrowly or technically defined, but should include cultural experiences such as theater and dance. Many performing arts companies cannot find performing space even as school auditoriums stand locked and empty. The arts should be far more integrated into school curricula and operations. In many ways, arts are at the very heart of the city, and should be at the heart of the schools. Organizations wishing to use school facilities must now pay substantial school opening charges, which should be reduced or eliminated for evening and weekend use. In addition, schools should see the resources of New York City as resources that are available to their pupils. Artists, dancers, musicians, writers, businessmen, labor leaders—all should be welcomed to enrich the life of the school, during the school day as well as after hours.

Use local businesses and corporations as an educational asset. Many older students hold jobs, earn money, and get valuable work experience; many others would like to. The system must enlarge the opportunities for students to be employed while continuing their studies. Jobs that help the student relate current education to future employment are particularly desirable. A model that should be emulated in New York is the Boston Compact, by which a group of businesses pledged $6 million to (1) guarantee financial aid to all needy city high school graduates who get into college; and (2) provide them with jobs when they finish their education, whether high school or college. Programs such as Adopt-a-School, in which a corporation helps a school provide instruction in areas related to its business, or Adopt-a-Kid in Westchester by which a company pairs its employees with an equal number of children, with the volunteer responsible for working out how to best help the child, are excellent beginnings. Yet until a much more structured and institutionalized relationship is established between schools and businesses, such efforts will be scattered and less thorough than they might be. The obvious crisis in our schools has awakened businesses to a recognition of their direct interest in the quality of education—indeed, 49 businesses have shown their sincerity by adopting high schools. We must act on business interest now with two goals in mind: first, to have more businesses making their resources and employment opportunities generally available to schools and students throughout the system; and second, to have every school in the system specifically assisted by a business or corporation.

Archives of the City of New York

Just as the community enriches the schools, the schools should enrich the community. School children receive enormous benefits from society and should in turn contribute their services to the community. Such service was once a routine part of school life.

Use every available educational asset, including non-public schools. In a world city like New York, concern for education cannot be restricted to public schools. Private schools are one of the city's greatest and oldest strengths. In even the narrowest financial terms, private schools have had a highly beneficial impact on the city by using private resources to deliver a public good, saving the city billions in expenditures. Were the private schools to close, the city would have to spend more than $5 billion to absorb their students. While most private schools are financially sound and need no additional support, many of the inner-city parochial schools that enroll mostly low-in-

come black and Hispanic students are financially troubled. These schools will decline as a resource available to the city unless some new solutions are discovered and implemented. Because of their special contribution to the life of the city and to its children, schools serving low-income children should be helped by whatever constitutional means are available. The Commission encourages further exploration of such means.

Use the colleges to help the schools. One of the most important roles played by the city's colleges and universities is as educators of the city's teachers. Universities should take the lead in reforming teacher education by emphasizing liberal arts in undergraduate school, and promoting on-site training in graduate teacher education programs. The Board of Education should work with every graduate education program in the city to establish a network of teaching schools, modeled on good teaching hospitals, to supervise internships and residencies in local public schools. Teacher education should emphasize on-site training.

In fulfilling their mission to serve the "children of the people, the whole people" of New York City, the 19 units of the City University serve as an effective means of upward mobility to many thousands of New Yorkers who otherwise might not attend college. About 30 percent of City University students come from homes in which English is not the first language; 30 percent come from a family in which the highest level of education was elementary school; about 75 percent are the first in their families to attend college; and 90 percent come from families in which neither parent graduated from college.

Colleges should view themselves as allies of the schools. The city's 23 public and 53 independent institutions of higher education enroll a total of 356,000 students in degree programs ranging from certificates and the B.A. to the Ph.D. and professional degrees. These schools not only produce a highly skilled and educated labor pool for the city's employers, but are themselves employers of 73,000 people. New York University, which employs 13,000 people, is the eighth largest private employer in the city. The universities should take the lead, both for their own good and that of the city, in preparing their students for the coming dominance in the economy of service information industries.

Providing for the capital needs of the schools (class size, school size, new programs, correcting deferred maintenance) will require a major rethinking of current strategies as well as major investment.

Every institution of higher education—public and private—should take responsibility for one to three schools, depending on the institution's size and resources. Hunter College, for example, runs its own superb elementary and high school, and shares responsibility with District 4 for the Manhattan Center for Science and Math in East Harlem. City College works with A. Philip Randolph; Queens College with Townsend-Harris; and Brooklyn College with Midwood. Every institution of higher education in the city should also establish a program in which their students serve as mentors and tutors for students in the public school. Institutions might begin in their own neighborhoods to make the program as administratively simple as possible.

The city's colleges can also assist those students at gravest risk of dropping out. A model for this is the Middle College, a small high school established to help students identified as likely dropouts. It is located on the campus of LaGuardia Community College, which guarantees that it will admit all

Middle College graduates, and like LaGuardia has a cooperative education program—one that *requires* students to work and study at the same time. Even with students selected for their high risk, Middle College has achieved a regular graduation rate of 85 percent. This program should be replicated at a minimum of one community college per borough as well as at any other willing college in the city.

Put more resources into education—for buildings as well as programs. Implementing our recommendations will require more money than is now spent on education. City government must be prepared to do its part, although fairness requires that a larger share of money for education come from the state. While the city has 36 percent of the state's students, it receives only 32 percent of the state's education funds, a deficiency that costs the city's schools $200 million annually. This discrepancy is particularly serious because the city has more than four-fifths of the state's students with limited proficiency in English, three-fifths of the state's poor children, and half of the state's students with handicaps. For many years to come, the city will have many multi-language students, who should be taught English as quickly as possible. In sum, the city has a disproportionate number of students with special needs, while receiving a disproportionately low share of state funds.

State aid should be less restricted in its use. Regulations discourage local innovations and create inequities by limiting the way education funds can be spent. This is a serious problem in special education where state programs require that special students be segregated rather than permitted to participate in regular classes. Along with most experts

New York Public Library

The schools became the natural terrain for teaching good health habits to all children. Because so many children lived in squalid and dirty tenements—conditions that were unlikely to change—reformers emphasized principles of personal cleanliness and hygiene that could make a difference. Frequent exercise, for example, was advocated to counteract "dark, ill-ventilated, and crowded rooms."

on special education, we urge that regulations permit special education students to engage as fully as possible in the life of the school, while receiving the educational services that will help them become full members of society as adults. Provisions should be made for instruction to be given at times when other classes are not scheduled, as well as after school and during the summer. Special education funding should enrich the schools' general environment.

In addition, many of the Board's efforts to improve education are being hampered by gravely inadequate physical conditions. Schools have been allowed to deteriorate to a shock-

The Board of Education has a pressing responsibility to reform its management, to make itself a model (which it is not now) of fiscal accountability. Nothing could be more wrong than the squandering of a major government investment in the future of the city's children.

ing state. In addition, schools in many parts of the city suffer from a serious lack of space. In some schools, children must sit at desks in hallways and even closets, according to an analysis by the Office of the Comptroller. The classroom shortage not only hurts the affected pupils directly, but other pupils indirectly, since such crucial areas as libraries are often turned into classrooms. Because school population is again growing, and reduced class size, all-day kindergarten, and pre-K programs require more space, the space problem will become worse, not better. The problem is severe for special education classes, which must be small to be effective.

In developing its capital plan and solving current space problems, the Board must also accommodate the new programs and increased community role that will characterize schools in the future. In particular, school buildings should be designed to provide computerized learning centers which will become a major method for providing individualized remedial instruction. Providing for the capital needs of the school system (class size, school size, new programs, correcting deferred maintenance, the needs of the next century) will require a major rethinking of current strategies as well as major investment.

Fulfilling these hopes for an improved education system will require more money. Additional capital dollars will be necessary to create the right physical environment, and additional operating dollars will be necessary to provide the best possible education. If we are unwilling to provide additional resources for education, the single most important service determining the city's future, then we are setting

ourselves up for failure. At the same time, the Board of Education has a pressing responsibility to reform its management, to make itself a model (which it is not now) of fiscal accountability. Nothing could be more wrong than the squandering of a major government investment in the future of the city's children.

Just as the promise of New York City is the promise of opportunity, the promise of education is the promise of a good and rewarding life. To everyone who comes to New York seeking a better life, the city owes the chance to succeed. And the best way to ensure that the most people have access to the most opportunities is by reforming our educational system now, for the betterment of all. Some of the reforms are structural, many require a re-thinking of some basic principles, and a few are relatively easy. All aim at the same goal: to make the system serve the classroom which in turn must serve the children. Educating children is the system's purpose for being. In our view, no service is more critical to achieving our hopes for the New York of the next century. Without a system that educates all children not only will the city's role as *the* international capital be threatened but its very social fabric will be jeopardized.

V. USING THE CITY'S HEALTH CARE RESOURCES EFFECTIVELY

The city's extraordinary mix of public and private health-care facilities, a mix unmatched anywhere in the world, should mean that every New Yorker has access to good health care, regardless of ability to pay. Despite the overall improvement in health as demonstrated by reductions in the city's death rates over time, many neighborhoods still have unacceptably high rates of infant and neonate mortality and morbidity, hypertension, mental illness, alcohol and drug abuse, nutritional defects, and sexually-related diseases. AIDS alone poses problems of frightening dimensions.

The Commission's primary concern is to improve the health care of those who are not adequately cared for today, and to provide the right combination of services to handle growing health problems. The city government spends some $4 billion on health care — money is not the major problem. Rather, what is needed is a reorientation of health-care resources, and the development of a new financing system, including insurance vehicles to support the reconfigured health care services. In the immediate future, the city will require improved case-managed ambulatory, primary, and preventive care and increased in-patient and community-based care for long-term illnesses, particularly for AIDS victims, and frail-elderly and mentally ill persons. To improve its services, the Health and Hospitals Corporation (HHC) should move towards the independent operation of its hospitals.

To develop a detailed plan and a mechanism that is powerful enough to restructure all health services in the city, a joint city-state working group of public, private, and voluntary health-care providers and major insurers should be established.

New York City is one of the great medical centers of the world. For decades, it has been a leader in biomedical research, graduate medical training, new operative procedures, pharmaceutical research, and improved patient care through technology. It has a distinguished tradition of public health, and spends $4 billion in government funds on health care for residents—far more than is spent by any city in the world. It is also unique in its extraordinary mix of public and voluntary hospitals covering every borough of the city. The health sector is so large and important that it contributes more than 13 percent (over $16 billion) of the city's gross product, and accounts for just over nine percent of total employment in the city.

New York's future depends on having a broad base of literate, healthy people who can work. Given New York's pre-eminence in medicine, we believe that if the reforms proposed here are implemented, every New Yorker can have access to good health care by the year 2000.

New York's future depends on having a broad base of literate, healthy people who can work. Good health is a prerequisite for enabling New Yorkers to lead full and productive lives, to be part of this city of opportunity. Given New York's pre-eminence in medicine, we believe that if the reforms proposed here are implemented, every New Yorker can have access to good health care by the year 2000. That is both our goal and our challenge.

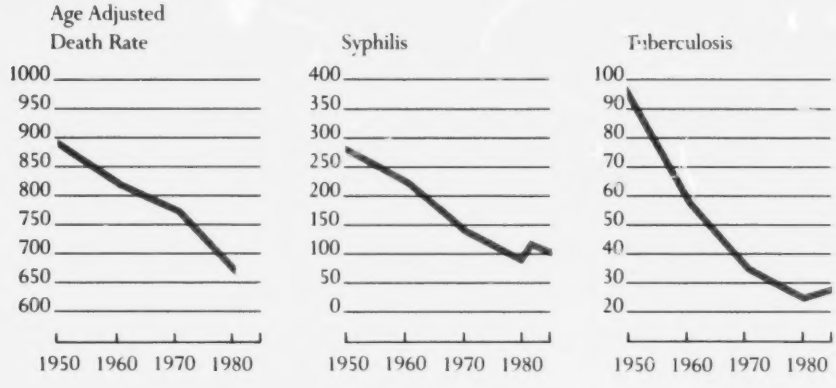
The city has long adhered to a compassionate policy of providing medical care to all who need it, regardless of their ability to pay. The municipal hospital system, by far the largest in the country, accepts anyone who walks into one of its many facilities. In addition to supporting the municipal hospitals, the city contributes 23 percent of total Medicaid, a very high share unmatched by any city or county outside New York State. While the state has agreed

to a gradual takeover of local Medicaid—New York City's Medicaid costs in 1986 came to $1.2 billion—it has been very slow to act. We urge the state to complete the Medicaid takeover within five years—surely enough time for an orderly transition.

Health care will continue to be an area in which government is a dominant actor. The federal, state, and city governments combined pay more than 55 percent of the costs of the city's voluntary hospitals, and cover nearly 90 percent of the costs in municipal hospitals. To a measurable extent, the city's high level of commitment has resulted in better health as demonstrated by a 25 percent reduction in the city's age-adjusted death rate, and a reduction of 46 percent in the infant mortality rate since 1950. Yet many New Yorkers, particularly the poor, suffer from serious preventable health problems, and many neighborhoods still have unacceptably high rates of infant and neonate mortality and morbidity, hypertension, mental illness, alcohol and drug abuse, nutritional defects, and sexually-related diseases.

The city's current and future health problems have less to do with the size of the city's financial commitment than with the imperfect mix in health-care services and insurance and payment mechanisms that support this mix. Money is not the major problem, and large increases in money are not necessarily needed to improve health care. What is needed is the reorganization of services. To support these services, a new system of financing, including insurance pools, will have to be developed.

Figure 7. IMPROVIN INDICATORS (cases per 100,000)



SOURCE: Department of Health

The financing, reimbursement, and delivery systems in health care have been changing rapidly throughout the nation as price-competition has intensified and systems such as health maintenance organizations (HMOs) have developed. These changes have raised the right issues, but have not necessarily pushed us in the right direction.

The health care system is out of balance. The system has too many acute-care beds, for example. And it does not have enough facilities for effective preventive and ambulatory care or handling the special needs of frail-elderly and chronically or mentally ill persons. Governments must demand and receive a high standard of health care for their constituents—and that may mean reorienting some facilities. New York City has the hospitals; it spends the money; it has the physicians and supporting personnel. Yet many of its residents have health problems that receive inadequate treatment, and many of these problems are preventable.

What then is the health care system lacking? We see the need for restructuring health care and for a new system of financing that yields greater rationality and fairness. Such a restructuring should provide (1) a system of case management; (2) public health leadership; (3) a reorganized Health and Hospitals Corporation; and (4) excellent community-based care.

CASE MANAGEMENT

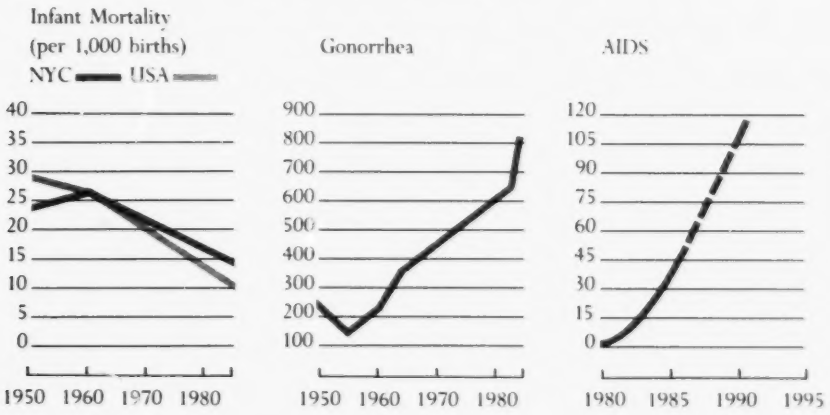
Despite the widespread availability of good care, and the transformation of most HHC ambulatory programs to case-managed care, which provides continuity of care through regular medical oversight, many poor New Yorkers do not seek appropriate medical help until a problem has become acute. This delay can lead to serious illness and long recovery, and result in uncontrollable costs to the city. Expanding case-managed care and providing public education about its availability can ensure more routine use of responsive preventive care, forestalling acute illness when possible, and reducing suffering.

For routine problems, such regular medical oversight should replace the use of emergency rooms, which are seldom the most effective environment for proper diagnosis and treatment. One way in which continuity of care at reasonable cost can be provided is through HMOs, which are pre-paid case-managed health programs. HMOs offer the patient or family the choice of provider, whose services are contracted for over a fixed period of time. Nationwide, this model is

increasingly being offered by employers, supported by private insurers, and chosen by fully-insured consumers. Many public health care facilities could be transformed into prepaid primary and preventive health care programs. This, combined with the establishment of HMOs by teaching and other voluntary hospitals, would provide a chain of neighborhood-based services. By attracting to these programs patients supported by city funds (Medicaid patients and the uninsured), the city could ensure that many of those who are now poorly cared for would receive continuity of care from the network of private and public HMOs.

Early case management and continuity of care is particularly important for pregnant women and young children. The city's infant mortality rate is 26 percent higher than the national average, and the rate for non-whites is higher still. Recent research convincingly shows the value of pre-natal

Figure 8. TROUBLESOME INDICATORS (cases per 100,000)



SOURCE: Department of Health; United Hospital Fund

and infant care in saving lives, reducing the need for costly neo-natal care, and preventing malformities and disabilities. Throughout the public and voluntary sectors, comprehensive infant-care programs must be created, including family planning, pregnancy planning, nutritional services, prenatal care, primary care for women and children, and child-care services. Because many patients needing these services are now uninsured, case-managed care for young children is one of several areas in which the city should work with the state to provide a fully funded bad debt and charity pool.

PUBLIC HEALTH LEADERSHIP

Public health programs were crucial in preventing and correcting health problems of the past, and should be crucial again today. Just as public health successfully handled such threats as measles, mumps, rubella, cholera, scarlet fever, and legionnaire's disease, so it must marshal its resources to face a range of current health problems, including AIDS (Acquired Immune Deficiency Syndrome), the most serious threat in decades.

The Department of Health is the proper agency for providing guidance to the city in developing its public health strategy. Once a pioneer for improving community health, New York's Department of Health has seen its role and status diminish in recent years. As the city's lead agency concerned with public health and the respository of information on morbidity and mortality, the department should define the areas of greatest need and act as the catalyst for the creation of new programs.

The key to public health leadership is public health education. Efforts should begin in the pre-school years, when so many problems become evident, and intensify in the school years In cooperation with the city and state health departments, the city's schools are again becoming a focus for ensuring that children are immunized, have regular screenings, and are referred to other health-care providers if previously undiagnosed or untreated conditions are identified. School health clinics for older children should emphasize educational programs dealing with drug and alcohol abuse, teen pregnancy, and sexually-transmitted diseases, as well as hygiene, nutrition and exercise. To communicate more directly with the family as a unit, public health efforts should cooperate with existing family-oriented institutions such as churches and child-care centers in developing programs and materials.

Because the extent and implications of AIDS go far beyond the nature of the disease itself, we urge that a commission of citizens distinguished in science, law, business, public health, government, labor, and academia be established to analyze all aspects of AIDS, and determine what steps must be taken to control its spread.

AIDS is the gravest threat in decades to the city's public health. By May of 1987, nearly 10,000 AIDS cases had been reported to the Department of Health. Over 5,700 or 58 percent of these patients have died. By the year 1991, the department predicts that the number of AIDS cases here will total 40,000, which is a conservative estimate. The growth in this disease, which is already the leading cause of death among New Yorkers under 40, is expected to be exponential, even with no significant change in transmission patterns. The city will have as many new cases in 1991 as have been reported between 1981—when the disease was first detected here—and 1986.

Medical authorities expect that eventually 30 percent of the 500,000 New Yorkers exposed to the key AIDS virus will

Archives of the City of New York

In its war against the infectious and communicable diseases that jeopardized whole neighborhoods, New York's Department of Health mobilized huge and effective campaigns combining education with actual health services. New York City again faces serious public health threats both from diseases that had once been considered controlled, such as tuberculosis, and the newest and most frightening killer, AIDS.

contract AIDS, and another 40 percent will be stricken with AIDS-related diseases. It is also established that the disease will spread far beyond the groups now known to be at risk. Until medical research develops measures to cure or arrest AIDS, the efforts of public health in containing the spread of AIDS must be through aggressive educational and media campaigns that clearly explain the ways in which AIDS is—and is not—transmitted. Education is important not only to help reduce the spread of the disease but to prevent increased community tensions and discrimination.

Serious as the AIDS crisis is, and clear as it is that the crisis will worsen, we now have no vehicle for handling all of its

dimensions. Yet no previous public health threat is sufficiently analogous to AIDS to guide public health officials in this crisis. Some traditional measures, such as universal mandatory testing, are inappropriate in a complex and dense society such as ours; other measures, such as quarantining, are not only repugnant but undoable. Nonetheless, the public is looking for leadership on these issues.

AIDS is by no means solely a medical problem, nor are all of the problems associated with AIDS problems of government. Because the extent and implications of AIDS go far beyond medical questions—important as such matters are—a commission of citizens distinguished in science, law, business, public health, government, labor, and academia should be established to analyze all aspects of AIDS, and determine what steps must be taken to control its spread. We fully support the establishment of this commission, and urge that it be maintained for the duration of the crisis.

THE HEALTH AND HOSPITALS CORPORATION

During Mayor Lindsay's administration, the sluggish processes of the Department of Hospitals were blamed for the deterioration of the city's hospital system. A special mayoral commission, the Piel Commission, recommended the incorporation of a separate entity to oversee the hospitals and to free them from the constraints that plagued city operations. HHC was created as a government agency, with the structural weaknesses that result from the accommodations city government must make between the needs

Governments must demand and receive a high standard of health care for their constituents—and that may mean reorienting some facilities.

of an efficient operation and the inevitable political demands and controls required by government.

In the last several years vigorous efforts have been made to improve the management of HHC hospitals. The system is clearly better than it was, but there is no prospect under the present arrangement for these hospitals to achieve the efficiency and quality that characterize the country's best hospitals.

HHC's difficulties are compounded by the nature of the health care problems that constitute its permanent agenda. The city hospitals are "family doctors to the poor." Through their out-patient clinics and emergency rooms they run an ambulatory operation that is very costly, difficult to do well, and not particularly attractive to most physicians. These hospitals necessarily care for all kinds of patients and every kind of illness without the options for selectivity that are often exercised by other health care institutions. HHC's hospitals not only deal with every kind of serious (and often neglected) medical problem, but with all the social ills of the poor living in the modern city. While leadership is important to HHC, as it is to any complex organization, the institutional constraints that impede HHC go far beyond the ability of any chairman or president to correct without radical change in HHC's control and operation.

No single simple solution will apply to the organization and management of the municipal hospitals, which are not only distributed geographically throughout the city but are diverse in the services they offer. We believe, however, that

HHC must move decisively to allow its hospitals the operating freedom enjoyed by the country's best hospitals.

Through its continuing fiscal role, the city can insist upon performance standards for the care of the city's clients, and ensure by extensive monitoring and auditing that the hospitals are well-led, well-managed and efficient.

DEVELOPING COMMUNITY-BASED HEALTH CARE

Certain special medical problems are best treated in community-based facilities. Such facilities can offer superior care that often happens to be less expensive as well. The cost, however, is not our primary reason for advocating their use. Rather, community-based facilities can be a means of treating patients humanely and comfortably. This is true as a matter of general health-care policy. It particularly applies to the care of mentally ill and frail-elderly patients, and has special relevance for the city's newest problem, AIDS.

The city needs a well-funded community-based service system that focuses on such alternative programs as home care, day treatment, intermediate care, vocational rehabilitation, community residences, transitional housing, and crisis intervention. Such programs have a well-documented record of delaying or preventing the need for in-patient acute care, and especially long-term care.

Mentally ill people: The original premise behind the deinstitutionalization of mentally ill patients was that pa-

Mental health is an area in which the various levels of government are going to have to recognize that they must provide better service to substantially more patients. The State of New York must recognize that it is both financially and administratively responsible for mentally ill patients—and those patients have been badly served.

tients could be better cared for in home settings or in community facilities. What was not fully addressed was the cost and difficulties of establishing these services. The deinstitutionalization of mental patients was begun in the 1950s, when the state hospitals housed 93,000 patients. By the time the first phase was completed in the 1970s, only 35,000 patients remained. Today the numbers are down to some 20,000 and the state plans a further reduction to 13,000. In practice, community residences have proved very hard to establish. Meanwhile, state hospitals became restrictive in admissions for chronic-care patients. The result has been that hospitalization is rarely available even for those who are seriously ill, and little ongoing care has been available for those who are moderately ill. At the same time, local communities have endured an increased financial burden and social stress. These problems are getting worse, not better, as shown by the growing demand for acute psychiatric beds in general hospitals as well as the growing number of mentally ill persons who are homeless.

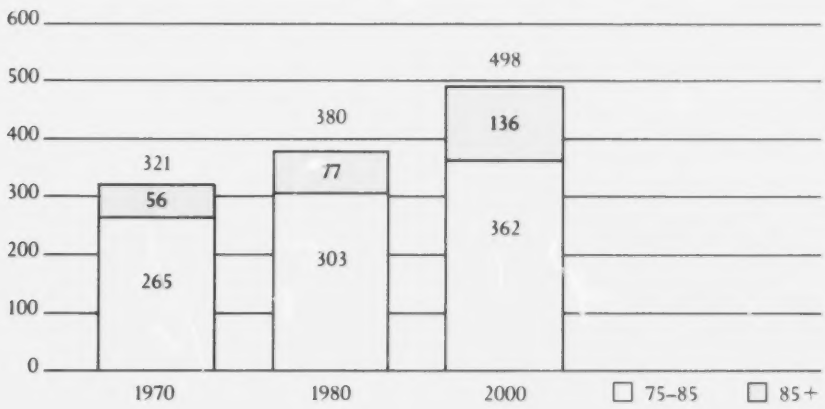
Mental health is an area in which the various levels of government are going to have to recognize that they must provide better service to substantially more patients. In particular, the State of New York must recognize that it is both financially and administratively responsible for mentally ill patients—and those patients have been badly served. Many of the city's acute in-patient facilities report occupancy rates of over 100 percent of their psychiatric beds. Hospitals are often able to admit only the most sick, violent, or suicidal patients, leaving moderately ill patients uncared for or treated in emergency rooms only. Even among the seriously ill, the risk is there that some will be

overlooked (or released too early) and left as hazards to themselves, family, friends, or strangers.

In-patient acute care should be one segment in a complex network of mental health services—not the main service as it is now. The state must provide more long-term and interim-care beds, as well as more community-based services; the city must provide more beds for acute care. Part of the network must be community-based therapeutic services for referral and follow-up care.

Frail elderly people: Most frail elderly people can also be best cared for in their communities. Issues surrounding the health care of the elderly will become even more urgent in the year 2000 when almost 15 percent of city residents will be over 65, up from 12 percent in 1970. Those 75 and older are likely to increase by over 30 percent, and those 85 and older by almost 80 percent. If current patterns of

Figure 9. GROWTH IN THE ELDERLY POPULATION (in thousands)



SOURCE: Urbanomics

care persist, health care for the elderly will prove prohibitively costly. Because of some past success in creating alternatives to nursing homes for frail-elderly persons, more than two-thirds are today cared for in their communities. To handle future needs and to avoid institutionalizing elderly people against their wishes, the range of housing options and accompanying social and health services must be expanded. To remain at home safely, elderly people often require medical supervision of chronic illnesses; help in managing such personal matters as shopping, banking, and reporting to Medicare; and regular company to combat isolation. Because this range of services is not sufficiently available now, current government and private financing mechanisms often channel elderly people into inappropiate and unnecessarily costly forms of care. New financing and organizational arrangements must be tested.

To create the needed integration of health, social-service, and housing assistance for the elderly, long-term care programs should provide a spectrum of services in home care and specialized housing, and only as a last resort, in nursing-home care. Comprehensive programs could be privately supported and managed, with government contracting for specific client groups, or where necessary, could be directly managed by government. Government expenditures on the non-acute care needs of New York's elderly are large enough to justify exploring a universal insurance model for financing such options in long-term care.

AIDS patients: Like the frail elderly, AIDS patients are usually best cared for outside hospitals. The city must (1) provide medical care and counseling to alleviate the suffer-

ing of the victims, their families, and friends; and (2) offer such care in appropriate settings, including specialized ambulatory clinics, home-care, chronic-care facilities, and hospices as well as acute-care hospitals.

All levels of government will have to help pay for the care of AIDS victims, as will private health insurance carriers, some of whom will be tempted to shed this large and growing expense. The in-patient hospital costs alone for New York City victims currently exceed $300 million annually and these costs will explode in the decade ahead.

THE FUTURE

The nature of the entire American health-care system—and the city is no exception—is changing dramatically with the declines in hospital-bed occupancy, the growth of for-profit hospital chains, changes in reimbursement methods, the consolidation of individual voluntary hospitals into systems, the growing involvement of insurers and employers in determining what will be reimbursed, and the rise of new financing and delivery sytems like HMOs for the privately insured. While some of these trends may improve the overall efficiency of health-care delivery, they are not designed to improve the care of the poor and the disadvantaged. It is critical that the city act now to ensure a system that will fully meet the needs of all patients, especially the needs of the uninsured.

A political solution is necessary. The city and state government must share this goal, and act together, being clear with providers about government's expectations in health care. The city's public institutions together with its independent teaching hospitals and other voluntary institutions must act as a single system of health care that ensures that the same access and high standards apply to all patients.

The State of New York oversees the health-care systems of every municipality, including New York City's. State oversight works well in smaller jurisdictions, and the state has succeeded in many instances in rationalizing and regulating New York City's hospitals and health-care facilities. As responsibility for local Medicaid costs moves to the state, New York City's size and complexity will require an unprecedented level of cooperation to ensure that the city and state governments' enormous investment in health care serves the needs of New Yorkers.

To plan for an effective system requires time and the expertise of the different components of the health care system. We need a mechanism that is powerful enough to bring together the disparate elements of the health system, and which would be empowered legislatively to effect the necessary changes. Attempts have been made before to establish such an authority, but have not had the full support of state and local government. The Commission recommends as a first step a joint city-state working group whose members will include the two levels of government; labor; public, private, and voluntary health-care providers; and major in-

surers. This joint planning process would review the city's total health care system, with the goal of redirecting resources towards case-managed ambulatory, primary, and preventive care, and community-based care for long-term illnesses. To achieve this goal, the working group should also develop ways to create insurance pools as well as the most appropriate mechanisms to facilitate capital projects, oversee reimbursement and payment policies, and license and certify all health care personnel and facilities.

If New York is to be a healthy city in the year 2000 the city must take the lead with the state in establishing such a working group, bringing together city, state, labor, and private participants in health care to determine precisely how to re-orient existing medical resources to ensure services for all who need health care, and how to pay for those services with restructured governmental programs as well as new insurance pools. If it is to be reformed ultimately, the health care system will require a new and powerful authority, which will in turn require strong leadership from government as well as an unprecedented amount of cooperation among different components of the health care system. In our view, such an effort is essential. Dollars are far less the issue than organization. With a fundamental reorganization all New Yorkers in the next century can be assured access to the excellent and humane health care that is a prerequisite to all of the other goals we have for the city.

VI. REGAINING A SAFE AND CIVIL CITY

New York City's crime and its reputation for crime undermine its status as a world city, and incalculably damage its neighborhoods and communal life. The criminal justice system cannot stop all crime, but it can do far more than it is now doing. Our recommendations can be summarized by one principle: Build respect for the law by ensuring that every encounter with the criminal justice system is met swiftly with stern fairness. Criminal justice managers must be held accountable to a standard by which those arrested for violating laws are treated fairly and efficiently, and receive appropriate punishment if convicted.

As the system is made accountable, resources for criminal justice, particularly for the police, should be increased. Every prison cell should be treated as a scarce resource to be used for violent criminals. Non-violent criminals should be punished through a more serious use of such techniques as house arrest, community service, and true (not slipshod) probation. The system should be equally serious about rehabilitation, which has long been a failure.

New Yorkers fear and hate violent crime. They always have. In 1856 Walt Whitman warned tourists, "Don't go wandering about the streets or parks unnecessarily in the evening. The degrading confession and warning is necessary, that New York is one of the most crime-haunted and dangerous cities in Christendom."

Yet even though New Yorkers worry more about crime than any other local issue, our city is far from being the least safe in the country. The FBI ranks New York fourteenth among the 25 largest cities in the rate of major crimes, and

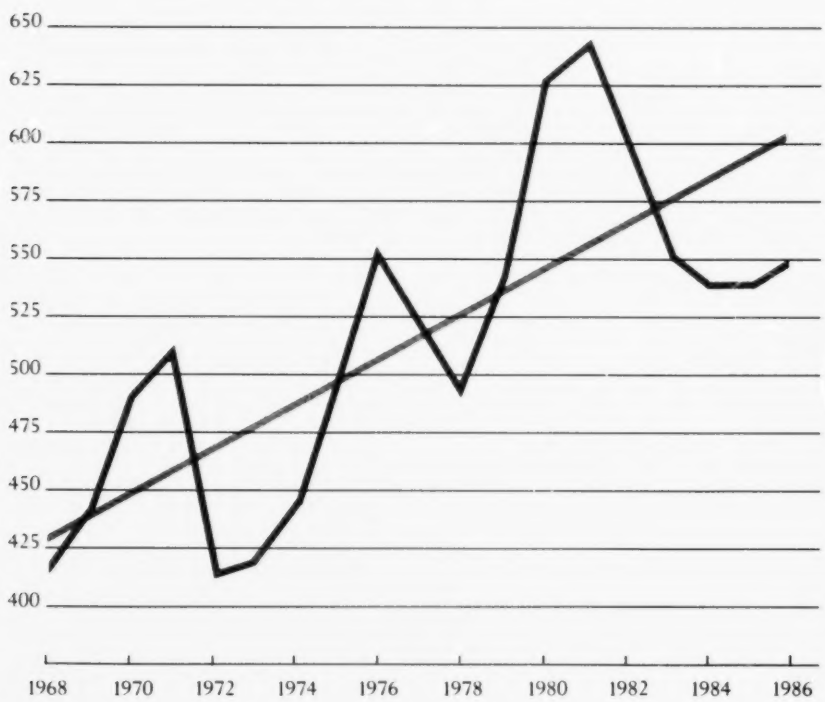
it is not even on the list of the top twenty-five of all cities with the highest murder rates. The standard for New York, however, is not Detroit or Dallas, but rather London, Paris, Rome or Tokyo—cities ranked as contenders for the world's favorite. By their measure, New York is dangerous.

The FBI statistics for violent crimes—murder, rape, assault and robbery—confirm New Yorkers' concerns. New York had one and a half times the rate of violent felonies of the average large city, and more than three times the rate of the U.S. as a whole. Each year 2 percent of New Yorkers become victims of *reported* violent crime, and experts believe that half or fewer of all crimes are reported to the police.

Worse, crime has been increasing for decades, sometimes exponentially. Between 1969 and 1981, reported crime in New York rose by 52 percent even as the city's population declined by 12 percent (Figure 10). New York's increase in crime was part of a national crime wave that caused the nation's crime to double during those same years. And while reported crime in both the nation and the city fell by 18 percent between 1981 and 1985, New Yorkers take little comfort in this fall. Not only did crime again rise in 1985, when the city saw one-third more crimes reported than in 1969, but the rise in crime continued through 1986. While the figures are not strictly comparable, crime today in New York is so much more extensive and violent than even in the recent past—say the 1950s—that the minor reductions in crime are dwarfed by the enormity of the problem.

Our recommendations can be summarized by one principle: Build respect for the law by ensuring that every encounter with the criminal justice system is met swiftly with stern fairness. Criminal justice managers must be held accountable to a standard by which those arrested for violating laws are treated fairly and efficiently, and receive appropriate punishment if convicted.

FIGURE 10—FELONY COMPLAINTS 1968–1986 (in thousands)



SOURCE: New York Police Department

While all violent crimes are serious, they are not uniformly traumatic for the public. The crimes the public most fears are those that seem random, in which the criminal did not know the victim. Horrible as murders, assaults and rapes are, many of them occur between people who know one another. Robbery, however, is principally a crime of opportunity in which the victim usually does not know the criminal. The higher the robbery rate, the more dangerous the city appears. In 1985 New York had the second highest rate among the nation's largest cities and accounted for 18 per-

cent of all robberies in the country—even though it has only 3 percent of the country's population.

Serious as violent crime is, it is not New Yorkers' only concern. At the other end of the spectrum are quality-of-life offenses such as petty thievery, vandalism, graffiti and abusive behavior. These minor offenses, which are not reported in crime statistics, perpetuate a sense of disorder and lawlessness to both criminals and law-abiding citizens. The Citizens Crime Commission recently found these offenses created the expectation in the public's mind that more serious crimes would occur. If drug dealers can operate openly in midtown, then so can thieves and muggers. The connection is as clear to the law-abiding as it is to criminals.

This level of crime makes New York less attractive than it should be. Crime undermines New York's status as a world city and as the economic center of the country. More important, it does incalculable damage to neighborhoods and to the communal life of the city. Civility as a goal for New Yorkers makes little sense in an atmosphere in which fear of others is too often the dominant emotion. A civil city is first a safe city.

Crime is a problem that local officials can and must do something about. The criminal justice system cannot stop all crime, but it can do far more than it is now doing to ensure that by the year 2000 ours is one of the world's safest great cities.

In thinking about crime, we would emphasize two principles. First, the city can do something about crime. It has

Because the system lacks effective punishments other than prison, the system is now so gridlocked that each component is reluctant to accept new business.

sufficient authority to make a difference. Unlike the many other urban problems in which responsibility or resources reside at some other level of government, crime is an area in which locally elected and appointed officials have substantial responsibility. New Yorkers need not look further than themselves. The one distressing exception to this is drugs. Controlling the supply of drugs is the province of the federal government. The city can do little or nothing to stop the international drug trade, and must instead fight drug traffic through tough enforcement of local laws against buyers and sellers.

Second, to fight crime effectively, we must turn to our neighborhoods. New York remains a city of neighborhoods, and the crime rates vary dramatically from one neighborhood to the next. Each of the city's 75 precincts is the size of a small city of 90,000 to 100,000 people. There is more variation in crime rate among the precincts of the city than among the large cities in the country. Some neighborhoods have crime rates as low as will be found anywhere; others have rates higher than the most troubled cities.

Crime is destroying some neighborhoods. The working poor are particularly victimized by the high rates of robbery, assault and burglary. As important, crime has driven out businesses and the employment they provide, and has deterred companies that would normally be attracted by the large numbers of available workers in New York neighborhoods. The drug trade alone is detroying some neighborhoods. And while the city's strategy of sweeping arrests and clearing the streets of drug trafficking does not ultimately

eliminate drug abuse, it does help the neighborhoods contend with a force that is capable of destroying them.

No one cares or knows as much about a neighborhood as its own residents. They know their neighborhood's beat and rhythm; they know when something is wrong or dangerous or out of place. For this knowledge of be fully useful, neighborhood residents must know their police captain, their community patrol officers, and their precinct's procedures. The Police Department should make every effort to introduce the precinct's personnel to the neighborhood.

In thinking about crime, we emphasize two principles. First, the *city* can do something about crime. It has sufficient authority to make a difference. Second, to fight crime effectively, we must turn to our neighborhoods.

Many of the most troubling petty crimes are crimes against civility. Ultimately it is the community that establishes and enforces standards of civility, but the criminal justice system can punish and discourage many petty crimes that are now committed with impunity. The police are often reluctant to arrest petty offenders because they feel the offenses are minor within the context of the city's violent crime, and because they know the offenders will probably go unpunished, making the arrest futile. Indifference to petty crimes undermines community efforts to combat them.

Similarly, domestic violence should not be disregarded by the system but rather treated as the crime that it is. At least 20 percent of homicides are committed by family members or close friends of the victim, and the rate exceeds 50 percent when acquaintances are added. More community-based programs for resolving disputes can make a difference. The city has violent juveniles at least in part because it has violent adults. And many of those adults function as

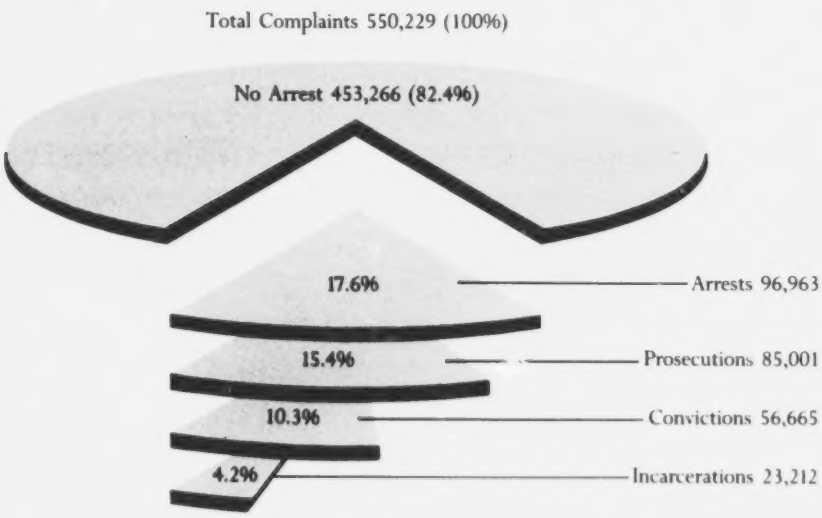
parents or quasi-guardians in the home. Research has shown that victims of child abuse as well as children brought up in violent homes are much more likely to commit crimes than children from peaceful homes. Reports of child abuse here have doubled since 1979, with more than 41,000 reports involving 68,000 children filed in fiscal 1986. We must lessen domestic violence, or face another generation of violent young adults in the next century.

WHAT MUST BE DONE

Government's first task is to protect its citizens. The city has had decades of experience with different approaches within criminal justice, and some thirty years of recent change and experimentation. Much is now known about what works best, and we have a good idea of what needs to be done.

Start by making the managers of the criminal justice system accountable. The system should be held to a standard of performance by which those arrested for violating laws are treated fairly and efficiently and receive appropriate punishment if convicted. The criminal justice managers are responsible for ensuring that offenders are arrested, and that punishment is fair, certain, and swift. Justice is the primary standard by which the system should be measured. The system's managers must both heed the country's constitutional concern for a defendant's rights, and see that those who have in fact preyed upon society are punished.

Figure 11. DISPOSITION OF 1983 FELONY COMPLAINTS



SOURCE: NYS Division of Criminal Justice Services

We start with a failed system (Figure 11). For the roughly 600,000 felonies committed annually, some 110,000 people are arrested—some 40,000 for very serious crimes. Even when it completes its building program in 1988, the state will have only 41,000 prison cells, with almost every cell filled. Because the system lacks effective punishments other than prison, the system is now so gridlocked that each component (police, prosecutor, courts) is reluctant to accept new business. The police shun arrests for "minor" crimes, which the District Attorneys are reluctant to prosecute anyway, and the courts loath to punish. As a result, only 4.2 percent of felonies committed in the city are actually punished by incarceration of any kind, and only 1.9 percent by prison. And because the alternative sentencing

All elements of the criminal justice system must convey the message that punishment for crime will be certain and swift.

programs are so few, the figures for incarceration tend to be the figures for punishment.

This cannot continue. Local officials must accept the responsibility that is theirs to reform the system. The budgets and therefore the size and management of the principal agencies (the New York Police, Housing and Transit Police, and the Departments of Correction, Probation, and Juvenile Justice) are the responsibility of the city government. Reforms are within the city's reach. Our major problem is that criminal justice efforts are not sufficiently centralized or properly managed. Who is responsible for criminal justice to the citizenry? Right now there is no single body to be identified and held accountable.

The police, the five city prosecutors, Courts and Correction are legally independent of one another, and this has become an excuse for procedural chaos. The key requirement in establishing respect for the law is a coherent approach to enforcement, prosecution, and conviction. Respect for the law is weakened if laws are promulgated but not enforced; if laws are enforced by the police but offenders not prosecuted; if offenders are prosecuted, but not punished when convicted. In New York City, the responsible authorities too often proceed at cross-purposes: The police arrest violators, but the prosecutors will not bring charges, or the court will not invoke significant penalties on conviction, or the penalties are never exacted. All elements of the criminal justice system must convey the message that punishment for crime will be certain and swift. Any other message undermines, perhaps destroys, respect for the law.

Using readily available technology, the city should provide an easily accessed, reliable database of information on crime, criminals, and the disposition of cases to every agency working in the field. Unifying the disparate criminal justice agencies via computer is the first step towards converting this feudal and warring structure into a true system. This database should be managed by a central agency that has the authority to compel all components to provide the data. The central agency will record all phases of the handling of cases from the initial crime report through the adjudication and resolution of the case, and share that data with the police, prosecutors, and judges as well as any other agency having a role in the criminal justice system. The Mayor's Office should use this database to hold the sytem accountable.

The courts in particular need both new procedures and more resources to increase trial capacity and speed up the processing of cases. Since 70 percent of those in city jails are pre-trial detainees, faster trials would enable the city to use its jails more effectively, although this will probably increase the need for state prison cells. The goal should be to reduce the time between arrest and disposition of cases that go to trial in Criminal Court to a maximum of three months and an average of 45 days. The current averages of nearly eight months citywide and more than ten months in Brooklyn are simply too long.

The procedures for prosecuting and judging crimes too often delay effective justice and weaken respect for laws. Defendants, for example, should not be permitted to manip-

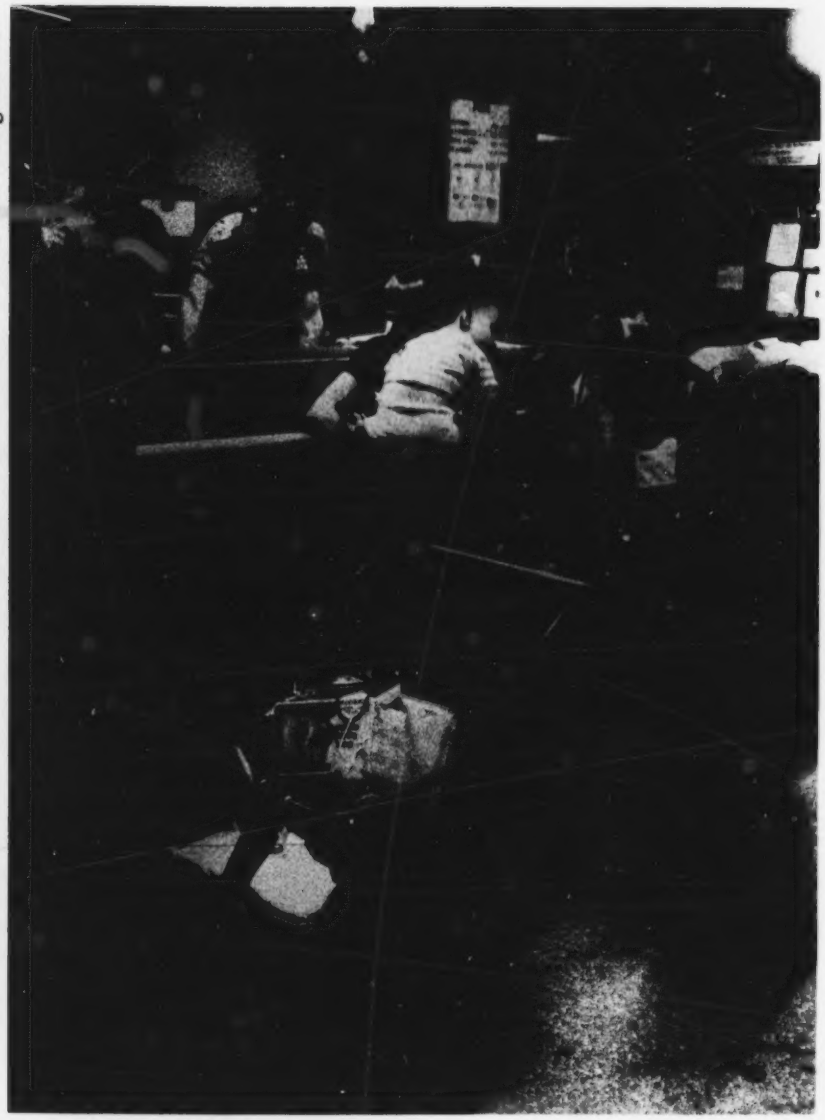
The procedures for prosecuting and judging crimes too often delay effective justice and weaken respect for laws. Defendants should not be permitted to manipulate the inefficient courts by simply failing to show up. The courts should teach respect, not contempt, for justice.

ulate the inefficient courts by simply failing to show up—and then going unpunished for the delay. Each year, Supreme and Criminal Court issue more than 20,000 warrants for defendants failing to appear. The total number of outstanding warrants for Criminal and Supreme Court now exceeds 365,000. The system must develop a procedure for tracking warrants and imposing sanctions for non-appearance. The courts should teach respect, not contempt, for justice. Victims and witnesses who aid in the prosecution of lawbreakers should be treated with respect, protected and supported. Their time is valuable and should be respected, not wasted by unnecessary delay. A climate of support for the law needs to be cultivated everywhere.

Juveniles are a particular problem because they are committing an increasing number of violent crimes. Research shows that a juvenile who has been arrested three times before his eighteenth birthday has a better than 50-50 chance of becoming a chronic offender as an adult. The law should allow juvenile records to be made available to the police and court officials.

As the criminal justice system is made accountable, resources should be increased as needed. While the city spends a great deal of money on crime prevention and control, many existing resources are wasted because of poor coordination among the components of the criminal justice system, or because of the need to change management decisions. To work, any system must be properly balanced. Our criminal justice system is badly skewed. As resources are increased to one component, some other components may have to be proportionately increased to keep reforms pro-

Leonard Freed/Magnum Photos



Rooted in its neighborhood, the precinct house is a slice of city life—and the front line in the battle against crime. There is more variation in crime rate among the precincts of the city than among the large cities in the country. Some neighborhoods have crime rates as low as will be found anywhere; others have rates higher than the most troubled cities. To fight crime effectively, the city must turn to the neighborhood. Residents know their neighborhood's beat and rhythm; they know when something is wrong or dangerous or out of place. Neighborhood residents must know their police captain, their community patrol officers, and their precinct's procedures.

Prison should be used primarily as a punishment for violent crime, both because such punishment is fitting and because prison keeps the violent criminal from preying upon society.

ductive. If, for example, the number of criminal judges is doubled, jail cells may have to be increased to house more inmates; if the number of probationary sentences are increased, the probation system must be overhauled and the number of officers increased to oversee sentences properly. Increasing resources in ways that skew the system further would be a waste of money.

Nonetheless, we urge more resources for certain components, beginning with the police. The city does not have enough police officers to go around. With only 28,000 police, the average commander has only three to five cars available for community work and neighborhood patrol at any one time to respond to the needs of 100,000 people. Part of the solution is more officers. The other part is changed management of existing personnel. The trend of the last few years by which 911 officers have been reassigned to special neighborhood patrols should be continued. The department should continue to put officers on neighborhood streets and experiment with community-based programs. It should expand the use of programs that work well, and abandon failures quickly. Crime is spectacularly adaptive and inventive, and our response should be equal to the challenge.

In addition, we urge an increase in the number of volunteer officers and neighborhood patrols. Citywide there are 4,300 auxiliaries working on average a four-hour shift per week. While auxiliaries cannot and should not replace regular officers, they provide an important visible presence in the neighborhood—the equivalent of about fifteen additional officers per precinct.

Treat every prison cell as a scarce resource to be used for violent criminals. Prison should be used primarily as a punishment for violent crime, both because such punishment is fitting and because prison keeps the violent criminal from preying upon society. While pathologically hard-core criminals should be treated severely, which might mean more prison cells, lesser crimes should be met by other punishments. Better rehabilitation programs must be established, as well as alternative sentencing that is neighborhood-based, appropriate to the crime, and properly managed.

The probation system, which is now in shambles, must be completely overhauled. Probation is simply not taken seriously by any level of government. And it must be.

We would like to see an emphasis on a serious use of new techniques. White collar crime and many quality-of-life offenses should be punished severely, but in settings other than prison since such crimes are more easily punishable by economic sanctions than is street crime. First, white collar criminals and quality-of-life offenders should be severely fined and be required to make restitution to victims, and to perform community service. Second, house arrest is a practical imprisonment now that electronic tracking is so sophisticated.

The probation system, which is now in shambles, must be completely overhauled. Probation is simply not taken seriously by any level of government. And it must be. The average probation officer in New York has between 180 and 215 cases to handle at any one time—a ludicrous workload. Both here and nationally some 30-35 percent of those on probation will commit another crime, a statistic that highlights the need for supervision. And since probation is a substitute for a more severe sentence—over 5,000 people

We must develop a thorough and real approach to rehabilitation which has, for too long, been a failure. Rehabilitation should prepare the prisoner to return to society, giving him the tools that he apparently lacked for functioning as a responsible citizen.

now on probation have been recommended for prison—society is not being treated fairly when a probationary sentence is equivalent to none, as it is now.

We must also develop a thorough and real approach to rehabilitation which has, for too long, been a failure. Just as we deplore a cynical criminal justice system that perpetuates its own cynicism by setting free a young vandal or thief because the crime is considered minor, so we deplore a rehabilitation system that is so strapped for funds that it does nothing of substance with those charged to its care. Rehabilitation should prepare the prisoner to return to society, giving him the tools that he apparently lacked for functioning as a responsible citizen. Society can hardly expect that a released prisoner will do well if he is immediately returned—jobless, with only a few dollars in his pocket, and without employable skills—to the same environment in which he became a criminal. As part of rehabilitation, he should be taught the skills to get a job, a job should be arranged, and he should have the proper support services for succeeding on the job. Whenever possible, employment should be a condition of probation and parole.

Equally important, the city should seek to increase the number of programs for alternative sentencing and halfway houses run by determined and thorough organizations like VERA and Green Hope. These programs are well administered and strict. They take the sentences seriously, and return to court those few participants (15 percent for VERA) who fail to comply with the terms of their sentences.

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While we believe that properly run rehabilitation and alternative sentencing programs will result in a need for fewer prison cells in the future, we recognize that more prison cells may be needed in the short run while the system is being reformed.

Our recommendations can be summarized by one principle: Build respect for the law by ensuring that every encounter with the criminal justice system is met swiftly with stern fairness. To this end, the laws must be serious, and must be enforced surely and fairly. A petty criminal should not go free on arraignment on the excuse that the system has far more serious crimes to deal with. Such an attitude—rampant throughout the system—does not meet even the most primitive test of justice. Someone who has broken the law and been caught should be punished.

A light but swift punishment is far better than a heavy but distant or uncertain punishment—and certainly preferable to none. Reorienting the system to providing sure punishments to offenders may require a gradual and not very large increase in resources as organizational reforms make the system more efficient and accountable. What is preferable above all is having a productive citizenry living in a safe and flourishing city. That is our goal. We recognize this will only be achieved by having an effective school system that educates our children and trains our youths for employment, a strong economy that employs all who are able to work, and stable communities with good and sufficient housing. We turn next to our communities.

VII. BUILDING AND PRESERVING HOUSING

While housing is a problem for many New Yorkers, it is a particularly serious problem for low- and moderate-income households, many of whom must spend well over one-third of their income on shelter. In its efforts to promote stable, strong neighborhoods, the city should (1) focus government efforts on financing and building low-income housing; (2) unswervingly pursue strategies to preserve and maintain housing; and (3) do what it can to ease the path of private developers who build housing for those who can afford market rates, particularly searching out opportunities for middle-income housing.

The challenge for the city is to find strategies that effectively provide housing without consuming resources the city needs for other services. The city should turn to the Housing Authority to build and manage low-income housing, and establish within the authority a special division for rehabilitating city-owned buildings. The Department of Housing, Preservation and Development should return to the two missions set forth in its name. It should (1) focus on the preservation and rehabilitation of housing through code-enforcement and housing assistance programs; and (2) become the central coordinator in the development of market-rate housing.

No city can flourish without a strong, healthy housing market. Housing is too basic a need to go unmet, particularly given New York's promise to be a place of opportunity for those who come here for a better life. Crucial to that better life is an open housing market that provides diverse kinds of housing for every income level in safe, pleasant neighborhoods in all five boroughs. New York does not now have such a market for all the familiar reasons—low investment in creating and maintaining housing other than the most

expensive, burdensome regulatory procedures, and withdrawal of federal support for low-income housing.

The problem is unusually severe for families with low- and moderate-incomes who are unlikely, without some government subsidy, to be able to rent or buy housing using reasonable proportions of their income. For many low- and moderate-income households, the market does not work; the federal government, which had bridged the gap for such families in the past, has now abdicated its responsibility. Creating an open market to house all income levels may well be the city's greatest challenge for the future.

Housing problems are unusually severe for low- and moderate-income families who are unlikely, without some government subsidy, to be able to rent or buy housing using reasonable proportions of their income. For many low- and moderate-income households, the market does not work.

Today Manhattan flourishes—as it will in the year 2000—and its expensive housing market drives the markets in the rest of the city and region. This is a far cry from the situation ten years ago when New Yorkers fled the city, and luxury co-ops could be bought for a song. Over the last seven years, the city has seen a net growth in housing units, reversing almost a decade of loss. Many units have been upgraded and stabilized through conversion of rental units to cooperatives and condominiums. Some lower-density rental housing has been built outside Manhattan.

Indeed, Manhattan's affluence has spilled into the other boroughs, where demand for housing in good neighborhoods is unprecedentedly high. While Manhattan is projected to grow by only 2 percent (30,000 people) between now and 2000, Staten Island may receive almost half of the city's population increase, growing by about 100,000 people to 450,000. The rest of the growth will be distributed among Brooklyn, Queens, and the Bronx, each of which can

even now point to neighborhoods that have turned around in the last few years.

The second housing problem is cost. New York City's housing is among the most expensive in the world. Its high cost is not troublesome for the wealthy, who must pay more to live here than in most other places, but who choose to live here anyway, apparently undeterred by cost. The upper-middle class has responded to the high prices in established neighborhoods in part by being phenomenally resourceful in making its way into new neighborhoods, fixing up dilapidated units, spending extra income on local businesses, and as a result, creating new wealth in their new neighborhoods. For the most part, New York's affluent households can be accommodated by the private market. The city should do what it can to make the market efficient and open, but it need not feel obligated to provide luxury housing directly.

Finding reasonably priced good housing in safe, clean neighborhoods can be a major problem for moderate- and middle-income households, however, especially for those trying to move. A few years ago middle-class families found little affordable housing because so many neighborhoods had deteriorated; today they find even less affordable housing because so much has been taken over by wealthier households able to pay far more.

Housing is a very serious problem for the poor, too many of whom pay a crushing proportion of their income in rent (Figure 12). According to the 1984 Housing and Vacancy Survey, the poorest fifth of New York households earned 4 percent of the city's income, or $4,300 annually. Median

Figure 12. RENT/INCOME RATIOS (households in thousands)

HOUSEHOLD INCOME	HOUSEHOLDS	RATIO >25%	RATIO >40%
$0–$3,999	143	143	131
$4,000–$9,999	609	557	393
$10,000–$12,499	185	151	58
Median Income of Renters $12,797			
$12,500–$14,999	113	78	17
$15,000–$19,999	232	115	16
$20,000–$24,999	182	52	6
$25,000–$34,999	208	30	2
$35,000 or more	228	18	2
ALL RENTER HOUSEHOLDS	1,901	1,144	625

SOURCE: 1984 New York City Housing and Vacancy Survey, staff calculations

annual income of the city's 1.9 million households in rental apartments was $12,800. Such incomes cannot usually command good housing. As it is, over one-fifth of the city's households pay more than 50 percent of their income for rent, and one-third pay more than 40 percent. Having to spend an excessive proportion of income on rent is most prevalent among those who are poorest and whose numbers will be growing in the future, including blacks, Hispanics, female-headed households, and the elderly.

As New York faces the year 2000 it should concentrate its efforts on providing and preserving low-income housing, and making sure that neighborhoods are desirable places to

live. Specifically, the city should (1) focus government efforts on financing and building low-income housing; (2) unswervingly pursue strategies to preserve and maintain housing; and (3) ease the path of private developers who build housing for those who can afford market rates, and create programs to encourage construction of middle-income housing through land writedowns, interest-rate subsidies, and one-time loans. The challenge for the city is to find strategies that are effective in providing housing without consuming resources the city needs for other services.

CONCENTRATE GOVERNMENT EFFORTS ON LOW-INCOME HOUSING

Nearly all of the city's government-sponsored low-income housing was paid for by the federal government which, these days, has its back turned on low-income housing. Between now and the year 2000, probably in the early 1990s, the pressing housing problems of cities across the country will, we hope, force the federal government to face the need for aiding low-income housing. In the meantime, the city should turn for assistance to its strongest agency for building, managing, and maintaining low-income housing—the New York City Housing Authority.

Finance more public housing. The Housing Authority, which gears rents to incomes, provides more than 175,000 rental units for low-income families. Over 200,000 families—more than it now houses—are waiting for apartments that are unlikely to come open, given the authority's

Archives of the City of New York

Despite its glamour, New York has always been at its base a middle-class city of middle-class neighborhoods and mores. New York's row houses provided a warm and efficient form of shelter for families with children, and neighborhood businesses provided both services and jobs. While reformers entitled this picture the "Perils of Children Playing in the Street," today's observers are more likely to note the energy and fun, not the danger, of the street.

low turnover rate of 3.2 percent. The authority estimates that the standard wait is some twenty years. In the meantime, many families have responded by doubling up—the only option other than homelessness for far too many poor New Yorkers. The 35,000 doubled-up families have caused enormous burdens on some authority projects, which are suffering greatly accelerated depreciation from over-use.

The Housing Authority's projects are so well-maintained and managed that it has been able to keep in service every unit it has ever built. Such a record in low-income housing is unmatched anywhere in the country. We urge the city

The disappearance of SROs as a primary means of housing the poor, the sick, and the elderly should not be mourned.

and the Housing Authority to form a partnership to combine city capital funding with Housing Authority bonding capacity to finance the construction of new housing. As part of this program, the city should campaign hard for the abolition of the Wicks Law, which requires that all government-sponsored construction jobs over $50,000 use separate contracts for plumbing, electricity, air-conditioning, and heating. In effect, Wicks requires the city to carry the responsibility of a general contractor, but denies it the control over subcontractors a general contractor needs. Wicks imposes both high costs and management chaos.

The city should agree to provide an ongoing operating subsidy for specific expenses, such as energy costs. This will allow the city to aid the Housing Authority without committing the city to huge and unpredictable future subsidies.

Establish a special division within the Housing Authority to rehabilitate city-owned buildings as low-income housing. Over the last ten years, the city has taken huge numbers of housing units in place of taxes or *in rem*—a term referring to legal action against property rather than against an individual. The city now has title to some 50,000 occupied units, and 60,000 unoccupied units. With few exceptions, buildings taken *in rem* are the very worst housing stock. Many units are only shells whose "rehabilitation" would be closer to new construction than conventional rehabilitation. At the same time, deteriorated as it is, the *in rem* stock is the only large amount of housing stock available for low-income families.

In rem housing is now managed on a temporary basis by HPD (Department of Housing, Preservation & Development), an agency that has been burdened by far too many mandates. If the *in rem* stock is indeed to be used as permanent housing for low-income families, the city should assign groupings of selected buildings to a new division of the Housing Authority. (The authority should be given enough buildings to work as a wholesale developer, rather than a retailer.) This division should be legislatively created to be free of the onerous contracting provisions that now block many projects.

Whenever the city can return *in rem* property to sound private ownership it should. It has tried. In fiscal 1985, the city sold some 500 buildings (or 5 percent of city-owned stock) to private owners. By sound private ownership, we mean not only conventional private owners, but Local Development Corporations (LDCs) and nonprofit developers. Particularly when rehabilitated buildings are scattered throughout the city, the Housing Authority may wish to turn rehabilitated buildings over to LDCs for ownership and management.

For years, LDCs have been the mainstays of many distressed communities. LDCs often had faith in their neighborhoods when other institutions, including private realtors, had given up. Part of what makes managing the *in rem* stock so difficult is that the scattered stock makes central management almost impossible. The city should systematically search every neighborhood for local managers, beginning with the neighborhood's own LDC.

The lessons of the 1970s cannot be forgotten: Maintenance and preservation of housing is as important as new construction, or the city may again end up losing old units far faster than its developers can build new units.

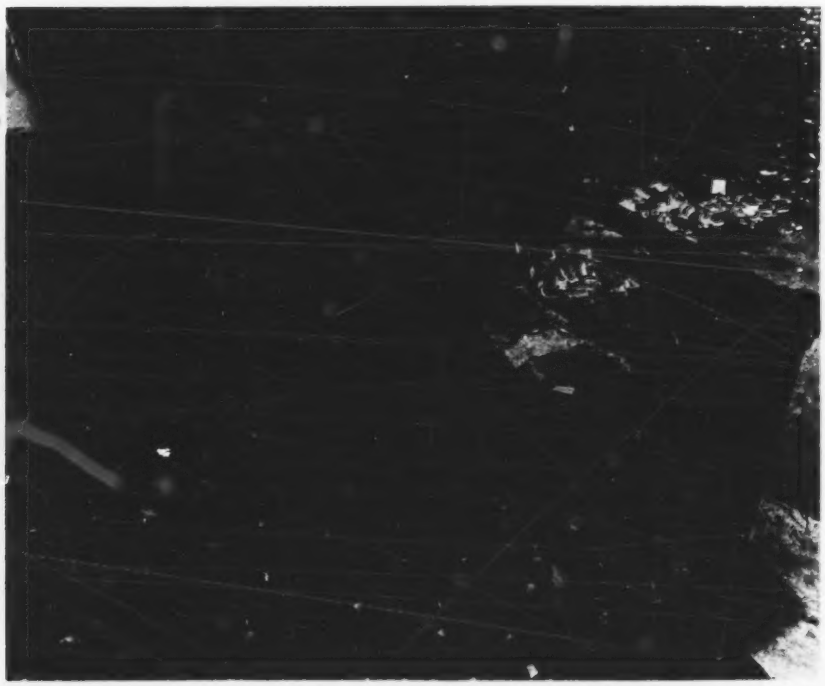
The city should "pre-qualify" non-profit and community developers just as it now pre-qualifies conventional developers. That is, it should ask LDCs to submit their qualifications and experience, and use the submissions and site interviews to determine which LDCs are experienced enough to rehabilitate city-owned property. The city can then use this core of highly skilled community developers to train less experienced developers in other neighborhoods.

Integrate the homeless into conventional housing. Until the city makes real progress in dealing with the problems of poverty, mental health policies, and low-income housing, we can expect a continued, though slower, increase in the number of homeless families and individuals. Like so many areas of social policy, government policies in helping homeless families and individuals are not only highly constrained by the federal government, but are very far from what we would do were we able to start over and plan sensible programs from the beginning. This year the city will spend almost $80 million in mostly federal funds to house homeless families in hotels. This represents the worst possible social policy. We could hardly devise a more destructive policy for all involved if we set out to do so. The hotels themselves provide only single rooms, and even the rooms are inadequate. The hotels are often located in commercial neighborhoods that are unsuitable for children. Homeless families are often troubled, yet are given few support services.

As if these negatives were not enough, the city has virtually nothing to show for its expenditure of government money—certainly no apartments to house future homeless

families. The city should insist that the federal government abide by its own rhetoric of local initiative and allocate emergency housing funds to finance the rehabilitation of conventional housing for homeless and other low-income families. In the short run, the city will have to continue its large shelter program. In the long run, most of this program should be replaced by a combination of low-income housing and support services. As the city and the Housing Authority develop low-income housing, they should follow the authority's guidelines in tenant selection to ensure a healthy mix of working, welfare, and homeless families.

Bruce Davidson/Magnum Photos



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Create new congregate housing models. The disappearance of Single Room Occupancy (SRO) housing has had serious consequences in the short run for those who have been evicted and often left homeless. With few exceptions, however, SROs were an unsuitable and frequently dilapidated and dangerous form of housing. Their disappearance as a primary means of housing the poor, the sick, and the elderly should not be mourned. The city should take this opportunity to replace SROs with superior housing.

The city's larger and older senior-citizen population in the year 2000 will require a greater range of housing options as well as more social and medical services. While elderly people make up 20 percent of the city's households today, they may be 25 percent of households in 2000. In particular, the elderly are increasingly likely to be single, non-white women with low incomes who must pay a high proportion of their incomes for rent.

The city has two excellent and similar options it should promote—shared housing and congregate housing. Shared housing now exists through the many informal relationships by which an elderly tenant or home-owner living in a large unit rents part of the unit to another household. The city should work to remove any financial disincentives to sharing, such as the potential loss of public assistance, and should consider modifying the rent regulations that now discourage group sharing.

Congregate housing, which has worked successfully for elderly people in many locations, provides each resident with a single room in a building that has shared kitchen and

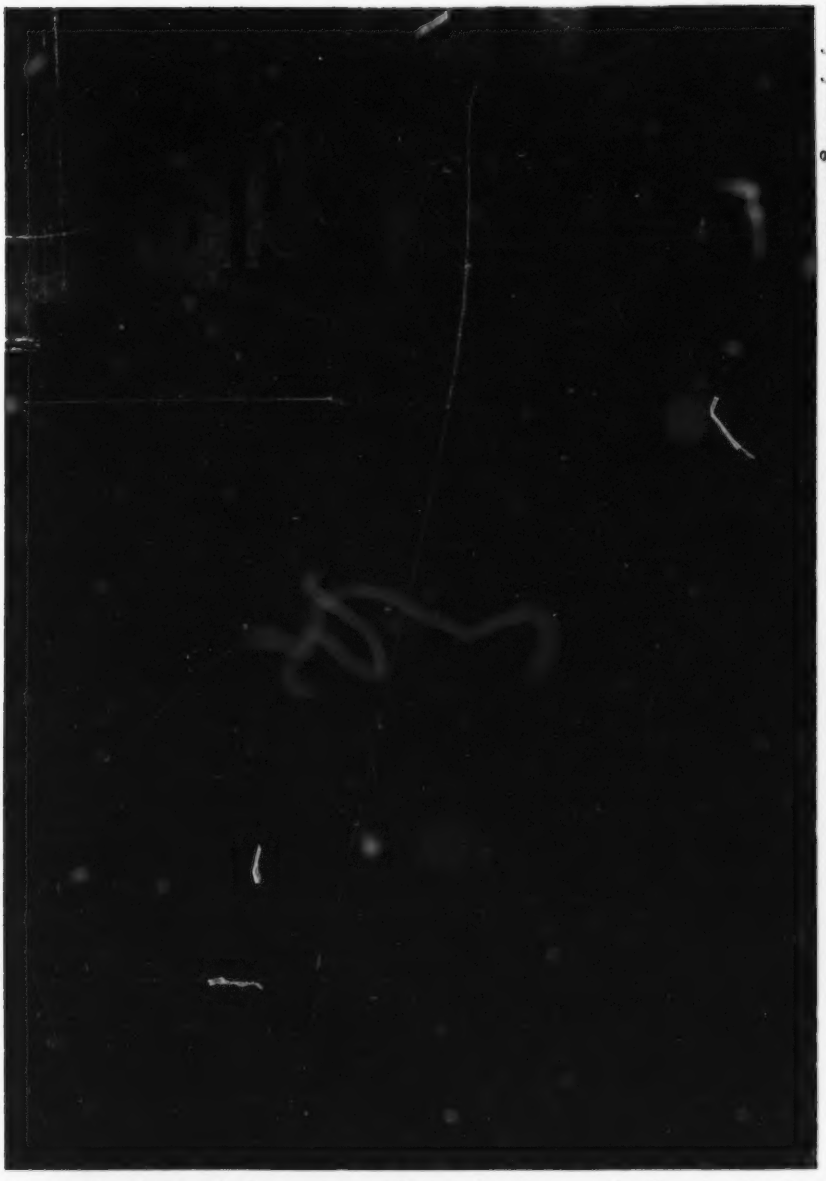
sometimes bath facilities. To work, congregate housing must be very well managed. And while it is usually less expensive than conventional housing, it should not be promoted as a cheap and easy solution. Several excellent non-profit developers have urged the city to support their efforts at congregate housing. The city should start today.

All programs for increasing income to buildings should be tied to rigorous code enforcement. Increased income will enable landlords to maintain their buildings properly; rigorous code enforcement will ensure that they do.

PRESERVE AND MAINTAIN HOUSING

After years of losing 35,000 units annually, the city has recently seen a tapering off in housing abandonment. Some experts believe abandoned housing on any scale is a thing of the past. The lessons of the 1970s, however, cannot be forgotten. Maintenance and preservation of housing is as important as new construction, or the city may again end up losing old units far faster than its developers can build new units. The overall preservation of housing requires that (1) income to buildings be increased; and (2) the housing code be vigorously enforced. Whenever possible, the city should bolster private efforts at rehabilitation through its traditional tax incentive and low-cost loan programs. As the Housing Authority becomes responsible for the rehabilitation and management of the city's low-income housing, HPD will be able to focus on the two missions suggested by its title—the preservation and maintenance of housing, and the development of market-rate and indirectly supported middle-income housing.

Increase building income. More money must go towards maintaining housing—which means first more money for rents. Without increased rents we cannot expect in-



Danny Lyons/Magnum Photos

New Yorkers instinctively see the architectural and economic diversity that has traditionally flourished in city neighborhoods as an accurate reflection of the diversity of ideas, cultures, and classes that has also prospered. As a result, many New Yorkers resist changes that they fear will bring large dull buildings and, in the wake of such buildings, dull neighborhoods. Far too much housing has been destroyed in New York. In the future, the city must both preserve the existing stock, and build new housing.

creased or even ongoing maintenance in older buildings. And without maintenance, the housing stock deteriorates. Some well-intentioned landlords have been unable to maintain their buildings either because of ignorance of proper management, or because the income on the building was grossly insufficient.

If rent increases are properly tied to strict code enforcement, the maintenance of the housing stock should improve substantially. As a first step, the welfare shelter allowance should be raised. The public assistance program remains an important economic force in the city's rental housing. One of every seven rental households receives welfare, which translates into an aggregate welfare rent subsidy to landlords of nearly $687 million annually. Welfare families are five times more likely than others to occupy dilapidated housing, and more than twice as likely to live in housing with many code violations. In part this is because the shelter grant has not come close to keeping pace with inflation. The shelter allowance is now only two-thirds as high as Section 8 allowances for existing housing. Because Section 8 is based more fairly on the cost of securing housing in New York—providing $400 for a family of four rather than $270—it should be the model for the shelter allowance.

Second, the city should establish a new rental assistance program modeled on the current Senior Citizen Rent Increase Exemption (SCRIE) program for low-income elderly tenants in regulated units. The owner would be paid that part of the allowable rent increase due to major capital improvements when the improvement pushes the rent above one-third of the tenant's income.

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Maintenance of much of the city's housing is frighteningly poor. Because the city cannot afford to lose more units, it must be rigorous about intervening early to punish derelict landlords.

The combination of an increased shelter allowance and a new version of SCRIE for non-elderly tenants should (1) help stabilize existing low-income housing; and (2) enhance the governmental investment in low-income housing when used in conjunction with the proposed rehabilitation of *in rem* stock by the Housing Authority. The shelter allowance and SCRIE can provide a building with a guaranteed stream of income that, while modest, is sure.

All programs for increasing income to buildings should be tied to rigorous code enforcement. Increased income will enable landlords to maintain their buildings properly; rigorous code enforcement will ensure that they do.

Reform rent regulation. The issue of rent regulation is important for the poor in sheer numbers alone—over 70 percent of households with incomes below $6,000 a year (181,000 households) live in rent-regulated apartments, according to the Housing and Vacancy Survey. Yet today's rent regulations do not achieve their basic purpose of keeping housing at affordable levels while not adversely affecting maintenance. Most poor families in rent-regulated apartments spend more than 30 percent of their income on housing. Conversely, over 58 percent of the 257,000 families with incomes over $20,000 who live in rent-stabilized apartments had gross rent/income ratios of under 20 percent. In short, the system as structured is inequitable; it fails to protect those for whom it was designed; and it can result in inadequate maintenance in many regulated buildings.

Reforms in rent regulation should protect low- and moderate-income tenants from excessive increases in rent, remove

disincentives to new construction and adequate maintenance, and make sure that regulated units are rented by tenants whose incomes and household sizes require the protections of regulation.

Those who are wealthy enough to pay market rents should do so, and we advocate the decontrol of luxury apartments when they are vacated by their current tenant. The city, however, should benefit from decontrol, which should be implemented under a system that requires the landlord to make a one-time payment to a housing trust fund. The amount should be worked out on a formula that considers the regulated rent against the new market rent, and splits the profit between the landlord and a housing trust fund. If a landlord participating in this program commits any fraud or harasses any tenant, his decontrolled units will return immediately to rent stabilization.

The serious social issue for the city concerns regulated apartments inhabited by poor families. The market alone cannot work when the cost of creating and maintaining housing greatly exceeds a family's ability to pay for it—and high rent/income ratios cannot be sustained by poor families for long. The combination of high costs and low rents will produce badly maintained housing—whether those rents are kept artificially low by rent control, or simply kept low by the market itself. If the housing stock in low-income neighborhoods is to be properly maintained, low-income households must be subsidized. The funds accruing from luxury decontrol would be a particularly appropriate source of subsidy for low-income tenants.

Punish severely, to the limit of the law, those landlords who milk their buildings. Many property owners are so heedless of their responsibilities that they do not pay their taxes and deliberately milk their buildings. Our recommendations plus basic market forces should encourage more revenue to flow to the buildings, leaving little excuse for landlords to let their buildings deteriorate. Because the city cannot afford to lose more units, it must be rigorous about intervening early to punish derelict landlords. Our theme in the crime chapter that every lawbreaker's encounter with the law must be taken seriously should apply as strongly to landlords as we argue it should to muggers.

Maintenance of much of the city's housing is frighteningly poor. In fiscal 1986, some 427,000 housing inspections resulted in 817,000 code violations. While 509,000 violations were corrected, the housing stock was still left with a net increase of over 300,000 violations. HPD itself estimates that it pursues no more than 12 percent of the violation notices issued by its inspectors.

Housing Court has become ineffective in part because fines are rarely collected from guilty landlords. Even more rarely are landlords jailed, no matter what the offense. (Jail sentences do not punish even a small fraction of one percent of lawless landlords.) Today a property can have an unlimited amount of liens against it for emergency repair services or for unpaid housing court fines without being in danger of foreclosure so long as real estate taxes are current. Along with unpaid taxes, unpaid fines should be a basis for the city's foreclosure on private property. In conjunction with implementing our proposals for increasing the revenues

flowing to housing, the Mayor should direct the Corporation Counsel to draw up legislation that permits rapid foreclosure. The city should do all that it can to ensure that landlords receive adequate rents while simultaneously ensuring that housing be properly maintained.

Overall construction costs are higher here than in any other major American city, and 40 percent higher than the national average. Excessive production costs translate into excessive housing costs.

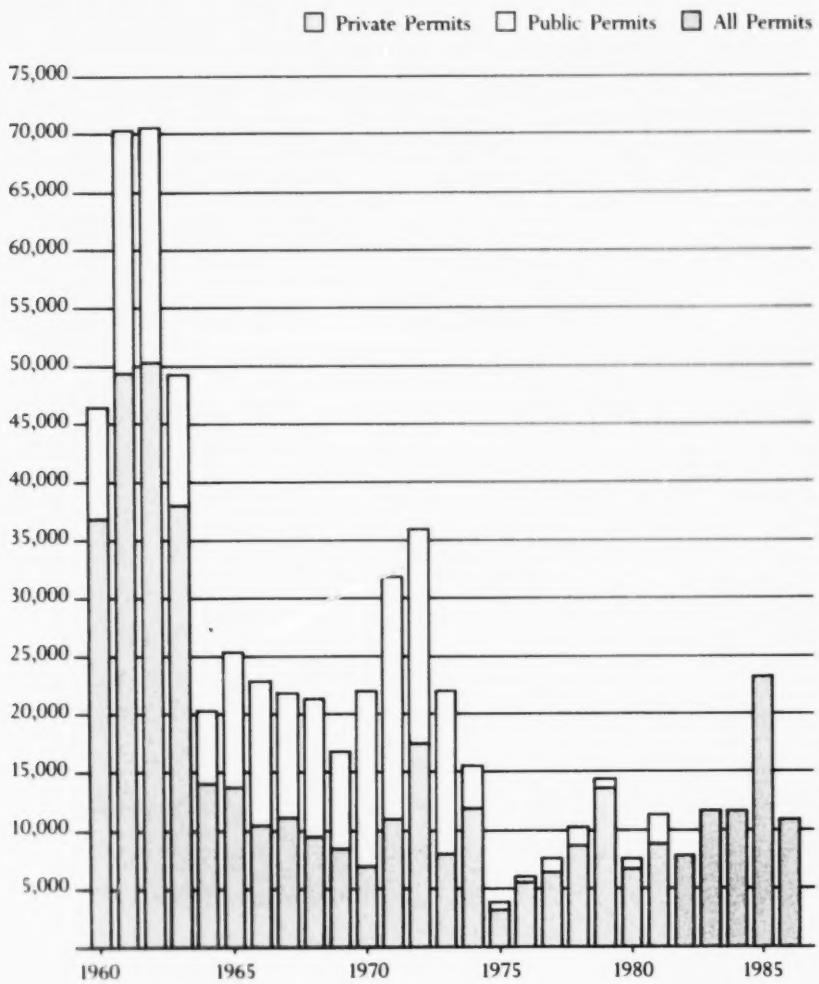
Fines should not only be enforced as properly punitive measures, they should be a source of revenue for the new housing programs we propose. Last year, over 300,000 violations went uncorrected in the mandatory period. Even at a modest average fine of $50 per violation, the city permitted $15 million to go uncollected.

HELP THE PRIVATE SECTOR PRODUCE MORE HOUSING

The city needs as much additional housing as can be developed. City government should not directly provide housing for higher income households, but should do what it can indirectly by easing the development process whenever feasible. A more efficient development process will make it possible to produce housing for all income levels more quickly and less expensively.

At least 20 separate city and state agencies have a role in some aspect of housing development. Many of the agencies are bound by statutory processes that complicate and delay development, including outdated portions of the building and zoning codes that drive up costs. When developers are delayed, they incur additional carrying costs that are eventually passed on to the buyers or renters of the units. Over-

Figure 13. PERMITS ISSUED FOR NEW HOUSING



Public and private permits breakdown after 1981 not available. After 1981, nearly all public investment in housing went to rehabilitation, not new construction.

SOURCE: NYS Division of Housing & Community Renewal

all construction costs are higher here than in any other major American city, and 40 percent higher than the national average. Excessive production costs translate into excessive housing costs.

Do whatever can be done to lower construction costs. Manhattan's construction costs of $200 per square foot are higher than in any city in the nation except San Francisco. Some costs are pushed up by regulations. New York has a stringent building code which, while having mostly suitable provisions, has some archaic restrictions that drive up costs. One effect of the outmoded building code is the effective exclusion of most manufactured housing. Similarly, the enormously detailed zoning code is often far behind the natural development of the city. Three-family dwellings, which are the least expensive decent housing that can be built in New York, are immensely popular in the neighborhoods in which they flourish illegally. Other parts of the city are zoned for industrial uses that have long since left the area.

In a market like New York's that has such a potentially high demand for housing, restrictive labor practices and onerous labor costs actually limit employment in the construction trades, thereby working against the interests of laborers.

The Mayor should direct all city agencies overseeing development to produce thoroughly reviewed and revised regulatory codes. While the 25-year old Zoning Resolution is probably the finest resolution in the country, it is nonetheless encumbered with a large number of amendments and retains many inconsistencies.

The city should also take two interim measures in helping development. First, the City Planning Commission should begin immediately to amend the discrepancies in zoning, such as the outmoded zoning of lower Sixth Avenue, Mill Basin, and parts of Queens Boulevard. Second, the Mayor should expand his efforts to promote private development by establishing a small staff of experts in his office to guide builders and developers through the development process, ensuring that all requirements are met expeditiously.

Housing may be the topic of more complaining conversations by New Yorkers than any other subject except crime. Many of the complaints, particularly those regarding cost, will be with us for a long time to come.

Some identifiable building costs are simply much higher in New York. Concrete, for example, costs 20 percent more here than elsewhere. Many knowledgeable observers have attributed this to the existence of illegal pricing agreements enforced, say some, by criminal organizations. Participants in development also state that corruption exists at nearly every stage of the development process, adding greatly to the direct costs of housing, retarding many projects, and discouraging new entries into the market. Corruption is one reason that housing here is so expensive. The city and state should launch a major drive to root out corruption in the construction industries, establishing a well-funded, well-staffed special prosecutor's office to oversee the investigation and prosecution. Special prosecutor's offices have made an important difference in the past and can again.

New York's labor costs, which are pushed up by restrictive labor rules and practices, are higher than in all cities except Los Angeles and San Francisco, and exceed the national average by 21 percent. The city should take the lead in promoting a negotiated revamping of such practices as joint trade scheduling, overlapping of functions, and the required hiring of unnecessary personnel. In a market like New York's that has such a potentially high demand for housing, excessive labor costs and restrictive labor practices actually limit employment in the construction trades, thereby working against the interest of laborers.

Promote homeownership and housing outside Manhattan. Construction costs in the outer boroughs are around $100 a square foot—still high by most standards, but less than half of Manhattan's costs. The other four

boroughs have substantial amounts of vacant land, much of it government-owned. In areas that are distant from the core and handicapped by relatively poor transit, the city should concentrate on promoting low-rise residential development, which is not only less expensive than high-rise apartment buildings, but is generally well received by neighborhoods.

The most successful recent implementation of this strategy has been Brooklyn's Nehemiah Plan, which intends to construct 5,000 single-family homes for moderate-income families. The city donated the land in East New York to a consortium of East Brooklyn churches which in turn established a revolving loan pool of $12 million, and worked closely with city government to cut red-tape and therefore costs. Almost half of the families who have moved into Nehemiah Houses have moved out of public housing, freeing their old units for poorer families. (Even Nehemiah, however, has been repeatedly and unexpectedly delayed at nearly every stage that requires government approval.)

Nehemiah exemplifies two important principles. First, it promotes home ownership, and with home ownership comes better maintenance of property and heightened responsibility among householders for the neighborhood. Second, Nehemiah does not require long-term support from the city. The city makes its investment at the beginning of the project and then exits without any obligation to pay additional or unpredictable subsidies in the future.

The city has substantial powers to aid projects like Nehemiah and should do everything in its power to help

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other developers replicate this model. For Nehemiah, the city provided free land, a capital grant of $10,000 per house, a ten-year property tax abatement, and a reduced interest mortgage through the state. In other neighborhoods, the city should make available land assemblages, invoking urban renewal powers to clear large sites when necessary; make a centralized, concerted effort (perhaps coordinated from City Hall) to ensure that permits, reviews, and approvals move as expeditiously as possible; and provide interest-rate subsidies. This model could be easily applied to large developments or two- and three-family homes.

While Nehemiah offers a practical and effective model for redeveloping largely abandoned parts of the city at lower densities than before, it will not produce a large number of housing units quickly. An even more aggressive approach will be necessary.

The city should look to its past, when various agencies financed or aided such large-scale housing projects as Park West Village, Starrett City, Stuyvesant Town, Riverside Houses, and Parkchester. Small, dispersed projects are hard for the city to work with, and while admirable, should not completely replace larger, middle-income projects, such as the city's plan for the Arverne site in the Rockaways, in the city's housing agenda. Even for these large projects, the city's financial exposure should be limited, providing aid at the beginning of the project and only indirect assistance thereafter.

Housing may be the topic of more complaining conversations by New Yorkers than any other subject except crime.

Many of the complaints, particularly those regarding cost, will be with us for a long time to come. New York has always been a high-cost area, and probably always will be. Nonetheless, there are many housing problems the city can and should do something about. The city must again recognize that it has major responsibilities in housing. It is the city's obligation to monitor and regulate the construction and maintenance of buildings; to maintain and dispose of property it has taken in place of taxes; and to advise the state on the rent regulatory system.

At least in the short run, a greater role for the city in housing is necessary. After decades of successful housing programs financed largely by the federal and state governments, the city has been left to grapple with its housing problems on its own. Federal abdication of responsibility for low-income housing is, we trust, a temporary hiatus in the federal government's 50-year commitment to housing the poor. Nonetheless, because our goals for the city's future as an international center of opportunity, diversity, and civility cannot be achieved without a decently housed citizenry, we urge the city to expand its commitment to use available resources to finance, rehabilitate and build low-income housing. The many superb government projects located throughout the city offer excellent models from the city's past; the single-family homes being constructed in Brooklyn offer an excellent model from the present. Together the past and the present outline the course for the future.

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VIII. MAKING TRANSPORTATION WORK

New York City's very existence depends on its transportation network, elements of which have deteriorated to a shocking degree. In an all too real sense, our problem in transportation is that we have come to the end of the road. There is no major capital addition out there that will solve our problems—not a new bridge, or a new tunnel, a new subway line, or a new highway. Basically the transportation structure we have now is what we will have in 2000. We will have to work within these known limits by doing two things: first, we must rebuild the capital plant; second, we must use it properly.

Rebuilding the network will be expensive, and will require that all beneficiaries contribute. Using the system properly requires changing basic conditions so that mass transit becomes the preferred means of transportation. The city should discourage use of private cars whenever possible, invoking stringent new measures such as far higher bridge tolls. Capital improvements will be necessary in the subway system, the airports, and in the streets and highways linking the region. And all reasonable measures must be taken to decrease the anarchy in the city's streets, sidewalks, and subways.

Every business day, more than three million people enter Manhattan's central business district. They arrive by subway, railroad, bus, car, ferry, bicycle, and foot. On the average day, more than 216,000 passengers use the three major airports, while countless tons of goods are shipped into, around, and out of the city. To carry this vast and varied traffic, New York has developed one of the world's largest and most diverse urban transportation networks.

Nevertheless, it would be hard to find a New Yorker who would say that all this works well. Negotiating one's way

into and around our city requires the ingenuity and chutzpah that have made New Yorkers famous. Pedestrians have trouble merely making their way across streets. Motorists and bus passengers endure long delays at the bridges and tunnels leading into Manhattan, and more delays on the city's crowded streets and intersections. Traffic around the airports substantially increases the time required to travel by air. And after decades of inadequate maintenance, the subways have become infamous throughout the world as dangerous, filthy, and unreliable.

The easiest and fairest way of reducing the number of cars entering the island of Manhattan is to impose tolls on all crossings, making those tolls high enough to discourage unnecessary driving.

Yet New York's very existence depends on its transportation network—and always has. The wealth and greatness of the city developed in part because of New York's location on crucial waterways combined with the brilliant development of railroads, canals, and highways. If the city is to thrive in 2000, the transportation system must be rehabilitated now, and patterns of usage changed. Just bringing the network up to a level adequate for today would be difficult; bringing it up to the level needed by 2000 will take all the talent, cooperation, and resources we can bring to bear.

WHAT MUST BE DONE: REBUILD THE SYSTEM

In an all too real sense, our problem in transportation is that we have come to the end of the road. There is no major capital addition out there that will solve our problems—not a new bridge, or a new tunnel, a new subway line, or a new highway. A link here and there—such as light rail on Man-

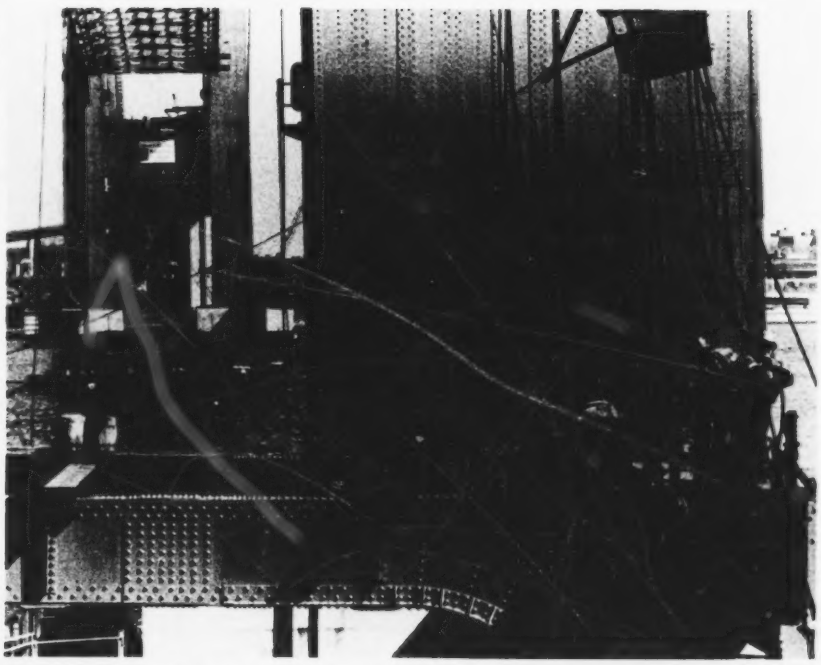
We are particularly worried about the subway system, which is simultaneously one of the city's greatest and most notorious assets.

hattan's West Side or putting into service the 63rd Street tunnel and the Archer Avenue line, and linking them to new subway service to northeast Queens—may ease pressure on existing lines, and redesign and reconstruction of severe bottlenecks at Penn Station and Jamaica Station may allow more trains to carry more commuters. But basically the transportation structure we have now is what we will have in 2000. We will have to work within these known limits by doing two things: first, the city must rebuild the capital plant; second, we must use it properly.

Rehabilitate the capital plant. Today's situation is far more hopeful than it was a decade ago. First, the capital budget, along with new financing techniques, is large enough to fund significant improvements in the transportation infrastructure. Second, we have a public consensus that rehabilitation rather than ambitious and expensive new projects should be the first priority. Third, the system is already showing results in noticeable areas, such as clean subway cars.

Much of the planning for transportation has been done in detail by the relevant agencies. While we generally support those plans, we remain concerned that the funding for repairing and maintaining the system is not assured. In particular, we are worried about the subway system, which is simultaneously one of the city's greatest and most notorious assets. It carries an amazing number of people—almost half of those who enter the CBD each weekday come by subway—and it extends to the farthest reaches of the boroughs. With the support of all levels of government, the MTA has begun to improve the system through its capital

Bruce Davidson/Magnum Photos



Completed in 1964, the building of the Verrazano-Narrows Bridge over the entrance to New York Harbor was the last of the city's great capital construction projects. It is unlikely that any such bridge or tunnel will be built in the near future to solve our transportation problems. Basically the transportation structure we have now is what we will have in 2000.

program, which has allocated some $6 billion for rehabilitation since 1981. Yet even with this good beginning, it will take another 15 years just to return the system to the levels of efficiency, comfort, and reliability that existed in the 1950s. Not until 2007 can the system be brought to a "state of good repair," meaning it has no overaged components.

This will be enormously expensive. The MTA (Metropolitan Transportation Authority) plans to spend $1.4 billion annually through 2007. The federal government has decreased its funding for mass transit; the state continues to support transit, although at an insufficient level; the city must find

Whatever differences may exist among jurisdictions, we must never forget that we will thrive or fail as a region.

new sources of its own. Under a $1.6 billion agreement with the city and state, the Municipal Assistance Corporation has agreed to make available $925 million for transit capital projects. The MAC money plus other known cash sources will leave 52 percent of the capital programs to be financed by borrowing. Borrowing, however, will deepen the Transit Authority's already large annual operating deficits—$356 million in 1987 but rising to $1.1 billion in 1991 and beyond. These deficits will have to be brought down by a combination of increased taxes, state subsidy, and higher bridge tolls. While better management of its capital program must be a high MTA priority, part of the burden will have to be borne by riders.

Establish a "fair fare" policy. As service improves, the city should step up its efforts to encourage commuters to use mass transit rather than driving. Better service will increase ridership only if the fare is kept reasonably low in relation to other forms of transportation. If real operating costs continue to increase faster than inflation while ridership and subsidies remain constant, the fare will rise sharply. Some studies show that by 2000 the fare may have to double to meet costs. Such fares would diminish ridership, requiring an even higher fare to make up the difference.

The public has resented the tripling of transit fares over the last decade as passengers seemed to be paying more for worse service. But as service improves (and the city's economy grows), we believe an increase in the real cost of the fare will be acceptable. Holding the increase to a minimum would require that operating costs rise no more than the rate of inflation, that fare revenues support no more than

55 percent of operating costs as they do now, and that subsidies be substantially increased. This "fair fare" policy, which would distribute the burden of subway costs among riders and the state and city governments, must be clearly linked to visible and real improvements in service.

Improve productivity. To keep costs down, the MTA must control many expenses that individually may yield only small savings. One-person trains, for example, as well as three-shift operations at maintenance barns, unmanned stations, and an eventual reduction in on-staff engineers should be considered. Further, the MTA should analyze closely the many inefficiencies that occur because the subway system—really three separate systems—was designed early in this century when the city's neighborhood structure was very different. Today some neighborhoods are badly under-served. The MTA should consider eliminating off-peak service when another line runs nearby and serves the same neighborhoods. It should consider replacing some underused routes with bus service, and closing some stations. It should take whatever measures it can to improve productivity on currently over-served lines while not taking any irrevocable measures that would prevent restoration of needed service when now underpopulated neighborhoods are redeveloped in the future.

Link the region. The New York metropolitan area is one huge and interrelated region. Whatever differences may exist among jurisdictions, we must never forget that we will thrive or fail as a region. The transportation network must be geared to moving people and goods as efficiently

as possible, thereby strengthening the linkages among the region's many sections.

The MTA must work with other transportation agencies to improve connections among all forms of transportation. This would involve establishing physical connections and coordinating schedules, particularly in off-peak hours, as well as providing major park-and-ride facilities at the outskirts of the city. Within the city, the MTA has an enormous stake in improving the efficiency of bus lines, and must work with the Department of Transportation (DOT) to improve surface traffic flow.

We should also look to an historic way of entering the city—ferries. New York's rivers were once the busiest water crossroads in the world. The Staten Island Ferry is a mere remnant of what was once a glorious flotilla of ferries, public and private, that plied their trade across our waters. The Port Authority is studying the development of ferry service from various points in New Jersey to midtown and lower Manhattan. Because 30 percent of the vehicles entering Manhattan from New Jersey are destined for Brooklyn, Queens, or Long Island, the Port Authority is also studying the feasibility of ferry service to carry cars and trucks directly to Brooklyn from Hudson County. Since ferry service is a fairly simple way to relieve congestion in Manhattan and on PATH, the tunnels, and the George Washington Bridge, we urge the Port Authority to develop ferry services as quickly as possible, and urge the city to view the creation of private ferry services as desirable.

Improve access to airports. New York's ongoing role as a world city is dependent on the smooth and efficient working of its airports for travelers and cargo. The aviation industry generates almost $19 billion annually in economic activity in the region, and provides 293,000 jobs. But the three major airports are heavily congested, with resulting delays both in the air and on the ground. The Port Authority says that air passenger volume at Kennedy alone will grow by 50 percent by the year 2000. We therefore support the Port Authority's proposed rebuilding programs for passenger facilities at Kennedy and LaGuardia. Both airports should have far better subway and bus service, and LaGuardia needs improved ground access from the Grand Central Parkway. As its share of improving the airports that help make the city an international hub, the city should undertake the modernization and beautification of the roads and parkways leading to the airports. As a major gateway to New York, these roads should be efficient, clean, and beautiful.

Use current technology to make the system more efficient. Modern technology permits a far more flexible fare-collection system, which could open the way for integrating fare collection for various transit systems. The MTA should develop and install an automated fare system for its commuter-rail, subway and bus network that would be compatible with the automated fare systems of other mass transit in the region. An integrated system would allow the sale of monthly transit passes, provide a transit package for commuters, and permit more flexible pricing strategies to encourage off-peak travel.

USE THE SYSTEM PROPERLY

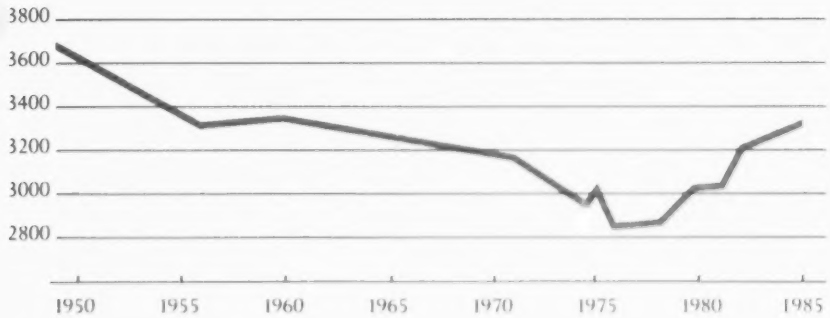
Because the large dramatic solutions are no longer feasible, we must be serious about what may *look* like mere incremental solutions. In fact, our incremental solutions are a series of small changes enveloped by a long-term strategy. In order for our city to save itself from the destructive anarchy of today's streets and subways, we must radically change behavior. This means (1) changing the basic conditions of the transportation system so that New Yorkers and commuters conclude that it is rational to use mass transit regularly, drive calmly, park legally, and cross streets with the lights; and (2) insisting that city officials encourage lawful behavior by stringently enforcing laws and regulations. Changing behavior that has developed over the decades will require a highly organized, closely scheduled, well-monitored program if it is to show needed results by the year 2000.

The Commission fully recognizes that some of what we propose will be difficult and costly. As a community, we New Yorkers will have to be willing to accept the pain and costs of enforcement to reap the eventual benefits of a safer and more rational system. The alternative is to accept near-permanent gridlock in our streets, and a precipitous decline in our standard of living.

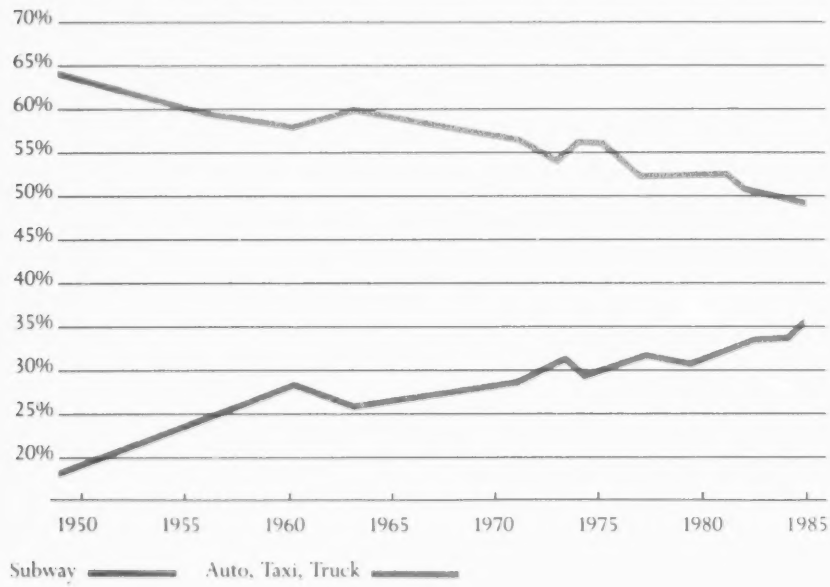
Limit the use of the private car wherever possible. While subway ridership has fallen by half since the late 1940s, the number of cars entering and leaving Manhattan daily has climbed from 657,000 in 1948 to a record 1.76 million in 1985 (Figure 14). Not only was 1985 a record year, it was the sixth consecutive record year. If today's

commuters to Manhattan chose the same mode of travel as in 1948, the CBD would have almost 350,000 fewer vehicles daily, according to DOT.

Figure 14. PERSONS ENTERING CBD DAILY (in thousands)



SHARE OF DAILY CBD ENTRIES BY MODE



SOURCE: NY Metropolitan Transportation Council

While clogging the streets and polluting the air, private cars are often safer, cleaner, and more convenient for their riders than public transportation. This, combined with the projected 225,000 new jobs just in the CBD by the year 2000, has led the Regional Plan Association to conclude that increased auto traffic from New Jersey alone will require three or four new tunnels—unless the city does something to discourage the use of cars. The Port Authority says that trans-Hudson traffic will continue to grow at an annual rate of 3 percent, at least until 1990. Last year, traffic moving in and out of Manhattan jumped 7.6 percent—the largest increase since 1964. Despite all the studies that say future increases will occur, increases cannot be permitted.

The easiest and perhaps fairest way of reducing the number of cars entering the island of Manhattan is to impose tolls on all crossings, making those tolls high enough to discourage unnecessary driving. Because more than 25 percent of the vehicles entering Manhattan come across one of the four free East River bridges, tolls should be extended to the free bridges as well as raised on the others. A high toll during rush hour would reduce the number of casual trips by car, and encourage carpooling. As the regional centers are developed, some trips to the CBD will become unnecessary, although pressure on the transportation networks in the boroughs will increase.

All distortions in the price of river crossings should be eliminated. The Port Authority charges three dollars per round trip to cross at the Authority's Holland and Lincoln Tunnels or George Washington Bridge, and gives special

commuter discounts to thousands of drivers. Such a pittance is no barrier whatever to driving into Manhattan.

Large employers have as much of an interest as any group in combatting the city's congestion. They should be encouraged by every mechanism available to provide their employees with mass transit passes—and discouraged from subsidizing cars and parking. Changes in subsidies by employers could make a substantial difference to traffic. The Port Authority estimates that almost 65 percent of New Jerseyites who commute to work in Manhattan by car are subsidized partly or totally by their employers. The federal tax code, which classifies employee parking as a fully tax-exempt fringe benefit, should be amended to reclassify mass transit passes as a fully exempt benefit. (Employer subsidies to mass-transit are now tax exempt only up to a paltry $15 per month per person.)

The Commission is not anti-automobile and recognizes that the car will always have an important role in the transportation system. The city's bridges, streets, and highways must be rebuilt and maintained, and proper plans be made for roads around major developments. The city's current capital plan calls for spending $5.3 billion to reconstruct and repair city streets, and all bridges in poor condition between 1987 and 1996. Even after the capital plan is completed, the city will have to devote large sums to maintaining streets and bridges properly. All of this is correct, as is the city's efforts to improve connections between boroughs and to the airports.

Penalize severely lawless behavior that impedes traffic. New York drivers often seem to be the most lawless in the country. Traffic moves far more slowly and dangerously than it might in part because drivers, bicyclists, and pedestrians flout the law. DOT has initiated some admirable enforcement efforts, which are not nearly as strong as they should be. We would apply the same principles to traffic violations that we urged in the criminal justice and housing sections: Make punishment certain and swift.

DOT should organize a campaign that alerts everyone that it will no longer tolerate drivers who run red lights, turn from inner lanes, stop any place but the curb, or drive recklessly. In addition, DOT should enforce the ban on double- and triple-parking, both of which are regarded in many commercial and residential neighborhoods as the legitimate alternative to paid parking. Many major thoroughfares become one-lane roads because their outer lanes are blocked by parked cars and trucks.

In its recent assault on blocked intersections, DOT has shown it can mount effective campaigns when given the mandate and the workers. DOT's enforcement officers are surely among the most cost-effective workers in the city. Paid an average annual salary of $15,000, the 6,150 brownies generate most of the $175 million the city raises each year from traffic enforcement. DOT should be authorized to hire as many brownies as it can train and manage.

Provide a full range of mass transit options, including para-transit. Discouraging car use, however, means encouraging mass transit use. It is not that New Yorkers are

unwilling to use public transportation. The per capita use of rapid transit here is more than double that of any other American city. Indeed New Yorkers account for 40 percent of the mass-transit miles traveled in the nation. Yet even while more than half of New Yorkers use public transportation to get to work, they have been turning away from the subways since the peak year of 1948, when the nickel fare ended. More riders will shun mass transit if the fare is increased without comparable improvements in service.

Even the small progress in rehabilitating the subways has cheered and attracted new riders. For many New Yorkers, hope has replaced the old resigned disgust.

We are all aware of the decline in subway usage, but the bus system has suffered an even greater decline in business. While the subway's revenue passengers dropped by almost 70 million or 6.5 percent between 1975 and 1985, bus ridership declined by 237 million passengers or 32 percent. Consultants to the MTA concluded that bus riders (even more quickly than subway riders) choose other options such as private cars, taxis or walking when they are unhappy with service. Much of this loss appears to be permanent since passengers have barely returned to buses even though service has improved since 1980. Better traffic management as well as a restructuring of routes is essential to making buses an efficient form of transit. In some instances, such as on Manhattan's West Side, a new light rail system would alleviate surface congestion. Anything that reduces the anarchy in the streets will help buses to move.

While we must improve conventional mass transit as much as possible, we cannot stop there. Our problems are too great. We know well that people who are unable to move around the city comfortably and safely become very unhappy indeed. Some leave the city altogether. Others stay

but simply refuse to take mass transit, particularly at rush hours, and instead use expensive private services, including private cars. It would be better for all concerned if customers who do not use mass transit could be accommodated by what those in the field call para-transit—something less than mass transit but more than private transit. As private car usage becomes more effectively reduced, the city and the MTA should experiment with permitting group-riding vans and cars to operate regular high-demand runs. The city should permit private van service in areas (1) in which mass transit cannot now accommodate demand, such as from the Upper East Side to Wall Street during rush hours; and (2) that are not now served by mass transit, such as many sections outside Manhattan.

Similarly, taxis should be made more efficient. Taxis are a hybrid of public and private transportation and should be seen as a highly flexible means of filling in gaps in the basic transportation network. The city has issued medallions for only 11,787 taxis, a number that has not changed since 1937. Even with the 30,000 available gypsy cabs, the city needs far more officially licensed and regulated medallion taxis. In addition, the city should move more boldly to permit group riding at the airports and selected areas in which the demand for taxis greatly exceeds the supply. A properly regulated group riding system would benefit everyone, permitting individual riders to save money and drivers to make more money, while using those cabs that are on the streets far more efficiently. We are not proposing a free-for-all in transportation. We suspect that would lead to further chaos. We do urge that controlled experiments be tried and greater competition encouraged.

Amid the daily frustrations of getting around New York, we can easily forget that the city has an extraordinary transportation network. Even the Commission's reluctance to recommend new river crossings or subway lines is an indication of the magnitude of the investment already made. Yet this investment has been jeopardized by years of neglect. Yesterday's neglect will cost us substantial money from today forward. We must resign ourselves to paying the price. We must find the money—much of it will have to be local—to finance both the rehabilitation and the operation of the subways. What makes this prospect less horrifying than it might otherwise be is the knowledge that even the small progress in rehabilitation that has recently been made—clean subway cars, for example—has cheered and attracted new riders. For many New Yorkers, hope has now replaced the old resigned disgust.

While we emphasize mass transit, we must make sure that all elements of the transportation system work; that plans to improve streets, bridges, airports and other elements of the network go forward with adequate funding; and that needed future improvements are planned now. With these improvements we should have a city that moves in 2000.

IX. PREPARING FOR THE 21st CENTURY

The 21st century can be a time of New York triumphant. We see a city that is civil and beautiful; a city of flourishing neighborhoods; productive and efficient; a city that is *the* world city in business, finance, communications, technology, and the arts; a city that offers opportunity, as it has for the last three centuries, to all who come here. All of this is possible if we respect the complexity of the city, build on the best of the city's past, understand the problems of the present, and chart a clear course for the year 2000.

Truly being a world city, a city of neighborhoods, a city of opportunity, and a civil city will require the commitment and common purpose shown during the fiscal crisis of the mid-1970s. And it will mean remembering what that crisis was all about: New York City cannot spend more money than it has; it must be competitive within its region, and its region must be competitive with other metropolitan regions in the country. Yet at the same time, as we look to the future, our vision cannot be so constrained by the recent past—a past defined by the fiscal crisis—that we lose sight of the opportunities ahead.

The Commission has identified several directions for the future, directions that represent a significant change from existing city policy. While more money will be needed to fund some of our proposals, particularly in education, housing, and transportation, for the most part we emphasize reorganization and reform rather than additional resources.

Poverty must be faced as the city's most serious and pressing problem. New York is the most exciting, vibrant, thrilling agglomeration to be found anywhere, in any

field—finance, science, sports, culture, the arts. "New York is the greatest city on the face of God's earth," said Brendan Behan, " . . . view it any way and every way—back, belly and sides." Yet viewed from beneath, New York's greatness turns to grimness. It is the grimness of poverty that troubles us more than any other problem, a grimness that spreads its tragedy not just to adults but to children as well. Almost 40 percent of the city's children live in poverty, and if we are serious about the future of the city, we must be serious about the future of these children.

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Even as we note the economic exuberance around us, we see that the benefits of prosperity have passed over hundreds of thousands of New Yorkers. The economic renaissance of much of the city has occurred without any significant revitalization of areas like the South Bronx, East and Central Harlem, or the central part of Brooklyn. New York is a city in which the majority of the population is making it, while a significant minority, largely black and Hispanic, remains poor.

The grimness is tempered, however, by the optimistic economic and demographic trends projected by us as well as by most other studies. To do the things that must be done, the city will need sustained economic growth, and the resources and cooperation of the federal and state governments. Over the next 15 years, for the first time in decades, the city's economy should produce enough jobs to be able to employ every qualified job seeker. Because the number of new entrants to the workforce will be relatively low, the opportunities for the many young black and Hispanic entrants will be particularly good.

Yet the seemingly mild word "qualified" will become an insurmountable barrier to employment unless young job seekers are appropriately educated and trained for the jobs of the future. If the city is to take full advantage of what is a very real but perhaps temporary opportunity offered by the economy and changing demographics between now and 2000, it must reorder some priorities, putting education and training at the top of the list of what is to be done.

As the long-term solution to poverty and dependency, education must have the highest priority. Except in times made unusually harsh by natural catastrophes or deep depression, an educated population is seldom an impoverished one. In a city in which 90 percent of new jobs will require at least a high school diploma, the importance of education is absolutely compelling.

To provide the best educational opportunities to the most students, we must restore the public education system to its former greatness and restructure the system's governance to serve the needs of the classroom. High standards and a traditional core curriculum should be required of all students, and principals and teachers must be given the professional independence and resources they need to educate their students. The school is not only important to the students who attend, but to its entire community. As the neighborhood's most important gathering place, each school should be clean, well-maintained, and welcoming. Doing what must be done in education will cost more money. It is the one area in which we recommend a major and ongoing increase in both operating and capital budgets.

Given the extent and nature of the social problems we face, education, important as it is, cannot bear by itself the full burden of raising large numbers of impoverished children and their families into the middle-class.

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To combat poverty, human services must be reorganized to prevent long-term dependency. The $4 billion-plus annually spent by the city on social services, the $5 billion on education, and the $4 billion on health should be buying far better results. As stark amounts of money, these sums are impressive. Yet a combination of intergovernmental mandates and bureaucratic inertia forces the city to spend millions of dollars on questionable or even discredited programs, and prevents the city from reallocating its resources to more difficult but productive programs.

The emphasis in health and the human services should be on reorganizing the delivery of services and reallocating existing resources to focus on helping people move out of poverty and dependency into fully productive, working lives. We must try to forestall poverty and dependence on welfare by intervening early with help for troubled families and individuals. Many of the city's most serious problems are interrelated. The city will not solve the problems of homelessness, for example, just by supplying decent low-income housing, important as that is. It must also handle the economic problems of unemployment, and the health problems of drug abuse and mental illness, all of which have produced homeless households and individuals.

Early intervention means more workers in what were once called the helping professions, particularly social work,

teaching, and nursing—fields that have suffered losses in members, prestige, and financial compensation while their working conditions have worsened. As we look forward to 2000, we can predict confidently that money spent now on such crucial programs as prenatal care, preventive medicine, and early-childhood education will be money invested in a better city in the future.

The physical city must be rebuilt, and rebuilt to be beautiful as well as efficient. The city's plant has been deteriorating for so long that the ambitious programs of the last few years will not be enough. Many of the city's roads, parks, subway stations, bridges, and buildings look more like ancient ruins than functioning components of a great

Leonard Freed/Magnum Photos

Today's great unused resource that should be propelled to full potential by public investment is the waterfront. While New Yorkers are amazingly adept at using every available inch of space, much of the waterfront is blocked to them, despite their ingenuity. The city should resurrect the 19th century goal of public access to a unified waterfront.

city. The critical part of restoring the city's plant is renovating the existing structure, as the city has started to do with its 10-year program, and the MTA has begun with its 20-year program. Yet the capital plans, costly and complicated as they will be, will only bring the city even with its past.

While New York's plant has been neglected for decades, New York does have one major advantage over many cities in the world: New York's population will be relatively stable between now and 2000. New York will not have the kind of exponential growth that is proving so destructive elsewhere. The New York of the next century, while different from the New York of today, will have more in common with the physical city as we know it now than futuristic visions would have us think.

Four factors should define how the city will look in the next century. First, the city must continue to emphasize rebuilding its infrastructure, especially the systems (mass transit, water supply, bridges and tunnels, and housing) that are essential to a functioning city. Second, New York must have a development strategy. This means a land-use plan that encourages economic growth in such areas as downtown Brooklyn and the creation of other regional centers outside Manhattan's CBD. It also means preserving the diversity and special character of the city's neighborhoods, and in some cases, particularly in Manhattan, promoting preservation in preference to development. Third, the city must develop and protect its waterfront, which remains the finest opportunity in this century for adding new wealth and beauty to the city. Fourth, New York must develop fa-

cilities—particularly in health, education, and housing—to meet the social needs emerging from demographic changes.

Just as Paris rebuilt its disgracefully deteriorated subway into the glorious Metro, San Francisco rebuilt its waterfront, and London rebuilt much of the city after the second world war, New York can and must rebuild its capital plant. Whatever investment the city makes in proper rebuilding and well-planned new development will be paid back a hundredfold in prosperity and efficiency.

The city government must make the provision of adequate housing for low- and moderate-income New Yorkers the highest priority in rebuilding New York. New York City in the last several decades took itself out of the housing business. It processed projects paid for by other levels of government, but it initiated little housing on its own. That has to change, and change dramatically, until the federal government again accepts its traditional role in housing.

In its efforts to promote stable, strong neighborhoods, the city should focus on financing and building housing for low-income households, too many of whom pay a crushing proportion of their income in rent. There is simply no way that private developers on their own can build and maintain housing for those living below the poverty line. And we can no longer pretend that most of the abandoned housing stock taken by the city in place of taxes can be quickly returned to the private market. For this reason, we recommend that the city turn to the most successful developer and manager of low-income housing, the New York City Housing Author-

ity, and establish within the authority a unit to rehabilitate and manage city-owned buildings as low-income housing.

At the same time, the city must pursue strategies to preserve and maintain the existing housing stock, combining assistance such as tax abatement programs and low-interest loans with strong code enforcement. Without government intervention to provide land write-downs and interest-rate subsidies, the city will not have a flourishing middle-income housing market. The city must do what it can to ease the path of private developers who build housing for those who can afford market rates, and it should use its urban renewal powers as well as indirect subsidies (such as property tax relief) to encourage new middle-income housing.

In most service areas, reorganization and accountability rather than new investment will be the order of the day. In many areas the city has excess capacity, which provides an opportunity to reduce or modify an old and unnecessary service to finance one required today. We propose reducing the large number of unneeded acute-care beds in hospitals to finance better long-term care for elderly people. We propose selling vacant city land for low- and moderate-income housing development. We propose new forms of alternative sentencing rather than expensive prison cells as punishment for non-violent felonies.

Such reforms will be impossible unless city government is restructured to be truly accountable. True accountability—not new layers of management—is the key to government integrity. Authority and therefore accountability for large systems of disparate agencies should be centralized and ul-

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Working for city government, the level of government that directly provides services to citizens, should be seen as the high calling that it is. Managers and workers alike must be rewarded for their successes and held accountable for their failures.

timately answerable to the Mayor. In many instances, the diffusion of government responsibility has helped spread the blame for failure, whether in the political structure of the Board of Estimate and the City Council, or in substantive areas such as criminal justice and health care.

The scattered and sometimes hostile elements of the criminal justice system hardly justify use of the word system as a description of what is an organizational mess. In criminal justice, we start with a system that is so gridlocked that each component (police, prosecutors, probation, courts) is overburdened with current work and reluctant to accept new work. While some components of the criminal justice system probably need more resources, the first necessity is for each component to be made an accountable and efficient unit within a working system.

The same is true of the health and transportation systems, the development process, the education system, and the management of the waterfront. Some may need more resources eventually, but each area first requires more efficient integration of services and a better use of resources. This will not occur without strong, centralized leadership.

Reorganizing the delivery of services means recognizing and retaining good programs and discarding inadequate programs. The city government should encourage experimentation—giving experiments a fair test, not aborting them if they fail to work overnight. Once recognized, successful programs should be institutionalized, and reproduced elsewhere.

Bruce Davidson/Magnum Photos

For whatever reason—and many have been given—too many New Yorkers are careless of shared spaces, whether parks, streets or subway stations. Part of the problem may be the legacy of the fiscal crisis, when New Yorkers had to tolerate far worse basic services all around, but in particular had to tolerate a far dirtier city. It is not easy to fight the grime and litter produced daily by the city—but what keeps New York bearable is that some New Yorkers try.

Working for city government, the level of government that directly provides services to citizens, should be seen as the high calling that it is. Managers and workers alike must be

rewarded for their successes and held accountable for their failures. Managers must be able to hire, promote, and fire workers based on performance, and have reasonable flexibility in making transfers and reassignments.

All New Yorkers must accept their responsibility for making New York a better place. This Commission has agreed on a government agenda in crucial policy areas, but we do not believe that the city can be made better by government alone. Government is accountable to its citizens, but citizens are also responsible for their city.

New York is a competitive city, one that tries men's souls and character. Its pace, density, and energy have been part of its greatness, but also part of its ugliness. City government should temper some of that ugliness. Local government is responsible for making sure that services are delivered efficiently and civilly; that public spaces are clean; that buses and subways are safe. And citizens should accept their responsibility for treating public facilities properly.

New York's voluntary sector was once one of the most powerful forces in the city. Its civic groups, settlement houses, and reform coalitions were driven by their vision of the public welfare—a vision often at odds with that of City Hall. Over the last few decades, many functions of the voluntary sector once based in neighborhoods have been taken over by government. In place of settlement houses that provided counseling, simple health services, and meals, government now has huge bureaucracies to handle basic needs. Yet the voluntary sector can contribute enormously as the main provider of some services, as a supplement to

other city services, as a model for what should be done, and as a voice in the city's political debate.

The city's large institutions such as universities and hospitals that were designed to serve national or international constituencies are often the dominant forces in their local neighborhoods. They should recognize that they can be good neighbors, providing services and jobs to local residents, without diminishing their world renown.

New Yorkers need a long-term view of what New York is all about: That requires strategic planning. The ability of New Yorkers and their institutions to participate fully in the life of the city would be greatly enhanced by true strategic planning on the part of city government. Part of the alienation and distrust felt by some New Yorkers toward new projects in their neighborhoods—whether shelters for the very poor or luxury housing for the very rich, whether resource recovery plants or mental health facilities—is at least in part due to a mistrust of the unknown combined with a fervent belief that all change in this city will be for the worse. Strategic planning is particularly important when aggressive development is causing the face of the city to change far more rapidly, and drastically, than planners are willing to control or even comprehend. Strategic planning would not only permit city government to plan service delivery to match development and change, it would also enable neighborhoods and citizens to participate in a more rational and humane process, understanding how discrete projects and programs fit into the overall plan for the city.

New York City in the year 2000 will be a city of many races. To be one city, and not a city divided, will require the best of New York's tradition of tolerance and compassion.

In all that we do, we must be mindful of the social fabric woven by men and women of diverse races, ethnic groups, and creeds. New York's tradition of tolerance and understanding amid diversity goes beyond that of any other city in the world. To be a world city in the sense that New York City has been one, to be a city of neighborhoods, of opportunity, and of civility, requires understanding the changes that have been and will be taking place. New York in the year 2000 will be a city of many races, and a substantial majority of New Yorkers will be black or Hispanic. To be one city, and not a city divided, will require better services, a focus on the special needs of the poorest neighborhoods, and the best of New York's traditions of tolerance and compassion. With Langston Hughes, we hope that New York will "be a land where . . . opportunity is real, and life is free, equality is in the air we breathe."

Our sober look at New York and its future reveals that the city is stronger today than anyone would have imagined a decade ago, but that it faces serious problems ahead. The city's recovery to date should teach us not to be smug about how far we have come, but to be hopeful about how much further we can go. It permits us to think boldly about the future, to raise our aspirations, and to envision a city far better than the one we have today. As our city looks to the 21st century, we should pause, uncharacteristic as that is for us all, and reflect. Ours is a city of energy, activity, commerce, accomplishment. In our view, however, it could and should be much more.

All that we have written here leads us to be hopeful: that our city of 2000 will be a city of civility and charm, a city of great international trade and thriving neighborhoods, a city that will come to embody the 21st century as Athens, Rome, Paris, and London defined earlier centuries, a city of opportunity that is a magnet for the world.

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